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REA PRESS DIGEST

Information Division

Sat., Jan. 15, 1944

Reserve

ONEIDA-MADISON ELECTRIFICATION MEANS ADDITIONAL MILK FOR CITY DWELLERS IN 1944 (Ralph L. Dibble in Utica Daily Press, Utica, N. Y., December 25) -- Few Uticans realize it now, but completion of the Oneida-Madison Electric Co-operative's 107 miles of line in nine towns of the two counties is going to have a profound effect on them and other city residents of the area.

Most city residents will recognize instantly that electricity in non-electrified rural areas will mean more prosperous and productive farms and hence, better business for cities in the area.

However the war adds a more grim and powerful meaning to rural electrification. Electricity on the 273 farms to be served by Oneida-Madison's lines is going to mean that those farms will produce more milk in 1944 - a year likely to bring the most grim days of an already grim war. . . .

7 MILLION HOMES WITHOUT ELECTRICITY (Washington UP dispatch in Star-Times, January 10) -- Some 7,000,000 homes in rural areas are without electricity, the Rural Electrification Administration said today.

In its report for the fiscal year ended June 30, REA said material shortages limited large-scale construction but there was a gain of 60,000 or 6.17 per cent, in the number of consumers served by REA borrowers. The increase raised to 1,041,000, the total number served.

REA said power consumption on the average American farm increased by 14 kilowatt hours, although the rise was greater in heavy food producing states, where the average was as high as 26. (Editor's Note: A substantially longer account of our Annual Report, with the increase in advance payments as its lead, was carried on the UP radio news wire and broadcast over at least two St. Louis radio stations January 10.)

COMMISSIONER NAMED IN SHO-ME OUSTER SUIT (Jefferson City AP story in Globe-Democrat, January 4) -- Arthur N. Adams, Jr., of Kansas City, was appointed today by the State Supreme Court as a special commissioner to hear evidence in an ouster suit against the Sho-Me Power Co-operative of Columbia, Mo.

The court also granted three utility companies permission to intervene in the suit, which was filed by M. J. Huffman, prosecuting attorney of Wright county.

ELECTRICITY SAVES 18 HOURS WEEKLY FOR OTHER FARM JOBS, SURVEY SHOWS (Bloomington Pantagraph, Bloomington, Ill., December 26) -- A survey made here by the Corn Belt Co-operative reveals that use of electricity on the farm saves an average of 18 hours a week or has permitted farmers to work 18 hours more a week on essential food production jobs. . . .

Water pumped by electricity is one of the greatest conveniences and time saving devices according to 23 of the farmers who filled out the survey blanks. . . .

"The lights made it possible to work later in the fields at night, because we had lights to do the chores by," one farmer reported. "It increases hog production and also chicken production." (Editor's Note: In addition to pumps and brooders, other electrical appliances mentioned in the returns were refrigerators, washing machines, cream separators, electric irons, motors, chicken water warmers, grain elevators, feed grinders, milk coolers and electric fences.)

REA IN THE WAR (article by Administrator Slattery in "United States at War - Volume 2", published by Army and Navy Journal) -- Increased wartime food production with less manpower has been the goal of the Rural Electrification Administration staff during 1943. To that end REA has loaned funds for building WPB-approved power distribution lines in rural areas and connecting unelectrified farms to existing lines; its agricultural experts have developed plans for labor-saving electrical devices; and farmers have been encouraged to make the widest possible use of electricity to save labor and increase their output. The agency has also supervised the operations of the 805 REA-financed systems providing power to almost a million farm families as well as farm processing plants, Army and Navy camps, Marine bases, airfields, defense housing, mines and a major aluminum plant. . . .

Each day new farms are connected to the lines of REA-financed systems, strengthening the food production fortress for war output. The greatly reduced REA staff has "doubled in brass" throughout 1943, and will continue to do so for the duration of the war in order to do its utmost for victory.

NEWS BRIEFS (Electrical World, December 25) -- Bruce Stevenson, Ohio farmer and customer of the Ohio Midland Light and Power Co., which serves his community, was awarded the REA plaque "for distinguished war service in the production of the nation's food through the use of rural electric power" at a ceremony held last week at Lancaster, Ohio. To accomplish such results, the Stevensons are now using twice as much electric power as they did before Pearl Harbor. Using 1,000 kwh a month, the family has a feed grinder, feed mixer, milking machine, milk cooler, electric brooder, fans and lights in the chicken house and an electric water pumping system, all installed since the war started.

A PROGRAM FOR A DYNAMIC DEMOCRACY (from the Report of the Special Committee on Postwar Economic Policy and Planning, U. S. Senate, presented October 12, 1943, and ordered to be printed) -- The Rural Electrification Administration is developing plans for postwar expansion. The program will be of such extent as the Congress may determine, and the tempo will be conditioned by the rapidity of the approach of peace. It is estimated that the current program of the Administration could be accelerated if the Congress so desires to develop postwar projects costing approximately \$500,000,000, and offering jobs to thousands of men in construction work, exclusive of the jobs in underlying industries furnishing the raw materials.

In addition to these direct and indirect jobs, experience indicates that consumers of electricity during the early years of energization purchased electrical supplies and equipment to an amount equal to nearly the cost of the lines. Therefore, the full development of the postwar program would represent a stimulus to industry and employment to labor of a total volume of approximately \$1,000,000,000, of which about one-half would be financed by the Rural Electrification Administration.

That the field for further development of rural electrification is large is indicated by the fact that about 60 percent of the farms in the country are without electricity. Stated in terms of dwellings, in 1940 there were approximately 7,000,000 rural dwellings not connected with central station electric service.

The principal function of the Rural Electrification Administration is to make loans to finance the construction and operation of electric facilities and furnish electric energy to the rural areas. Up to the end of September, 1942, about \$372,000,000 had been dispersed to borrowers, representing about 384,000 miles of lines energized and more than 1,000,000 consumers connected. The record of the past, therefore, indicates that the Rural Electrification Administration has a firm foundation of experience for the expansion of the postwar program into as large proportions as the Congress and the Administration desire to be developed.

FARM ELECTRIFICATION (extension of remarks of Hon. Frank Carlson of Kansas, House of Representatives, December 21, Congressional Record) -- . . . The electrification of our farm and rural homes should be extended as rapidly as critical material from our war effort can be spared. In fact, material needed for the expansion of the rural electrification program should be given a high priority. Electricity on the farms is more than a convenience -- it is a necessity. There is only one answer to the farm labor problem and that is mechanical power. . . . (Editor's Note: Mr. Carlson added to his article a reprint entitled "More Power to Farmers", taken from the newsletter of the Jewell-Mitchell Co-operative at Ionia, Kansas.)

LIGHTS ON THE FARM (editorial, Atlanta Constitution, December 24) -- Judge Ogden Persons, the sage of Monroe county, has a new slant on the benefits of rural electrification.

Speaking at Barnesville at the annual meeting of the Lamar Electric Membership Corporation, Judge Persons praised the national rural electrification associations which now provide lights and power to over a million American farms.

Such an improvement in rural areas is a distinct contribution to the prevention of juvenile delinquency, Judge Persons told members of the association. . . .

There is, of course, much truth in what the judge had to say. Adequate lighting and modern electrical conveniences serve to make home life on the farm attractive to rural youth with the obvious result that fewer go to the city and trouble.

CO-OPERATIVE POWER (A Monthly Section of the Co-operative Digest) -- An eight-page section in the January issue contains an article by Deputy Administrator Neal, a story on the Ralph Childs farm, a story on REA allotments, short items about co-operatives and their personnel, and several photographs.

COLORADO CO-OP GETS ORDER TO SERVE ALL (Denver News, December 29) -- In a decision which may have widespread effect, a rural electrification co-operative was ordered yesterday by the Colorado Public Utilities Commission to serve members and non-members alike "without discrimination." The decision was contained in an order permitting the Highland Utility Co. to sell its electric plant and distribution system in Montezuma County to the Empire Electric Association, an REA organization.

The commission said the order does not classify the co-operative as a public utility but directs that non-members be served without payment of the \$5 membership fee. Colorado has 19 REA systems, serving approximately 20,000 clients.

ITEMS OF INTEREST TO THE REA STAFF

Santee-Cooper's Plans to Buy S. C. Utilities Abandoned -- Columbus State, Columbus, S. C., December 23 -- Santee-Cooper announces it has abandoned any plans to acquire electrical utility properties owned by the South Carolina Electric and Gas Co.

Interior Department Plans Vast Power Development After War -- Washington Evening Star, December 23 -- Interior's Power Division, in report to Secretary Ickes, says

present installations are producing 2,713,500 kw. Studies under way indicate that another 7,500,000 to 9,000,000 kw may be expected to be developed in the West after the war.

"Power Unleashed" -- review of M. M. Samuels' book, by Waldemar Kaempffert, Science Editor of New York Times, in Saturday Review of Literature, December 25. Also reviewed in Public Utilities Fortnightly, January 6.

Two Million Electric Irons to Be Manufactured in 1944 -- Post-Dispatch, December 30.

Design for Postwar Living -- California Art and Architecture, December -- A design for a high apartment building with outdoor space in connection with each unit, prepared by Henry Shotwell of REA and a fellow architect.

The Jones-Onslow Deal -- R. N. Larkin's column "Washington Comment", Electrical World, December 25.

Farm Bureau Resolutions -- Ohio Co-operator, December 15 -- One of the resolutions adopted at the Silver Anniversary Convention of the Ohio Farm Bureau Federation in Columbus last November is as follows: "Utilities -- Commend the progress already made in rural electrification and urge extension of that program as far as is practical. Urge greater uniformity in electric rates."

Rattling the REA Skeleton -- editorial, Chicago Tribune, December 17.

A story printed in most major papers of the country mentions the fact that REA was included by President Roosevelt on his list of accomplishments of "Dr. New Deal."

Supreme Court Gives Federal Power Commission Free Rein in Fixing Utility Rates -- Washington AP dispatch in Globe-Democrat, January 4.

Live and Learn -- editorial, Waterbury Democrat, Waterbury, Conn., December 28, condemning formation of Public Utility District in Oregon.

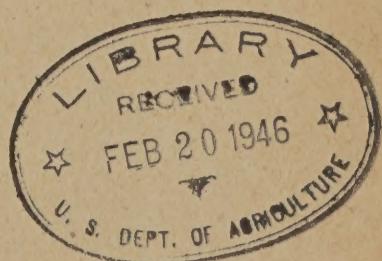
Final Generating Unit for Bonneville Dam Completed -- Salem Journal, Salem, Ore., December 14.

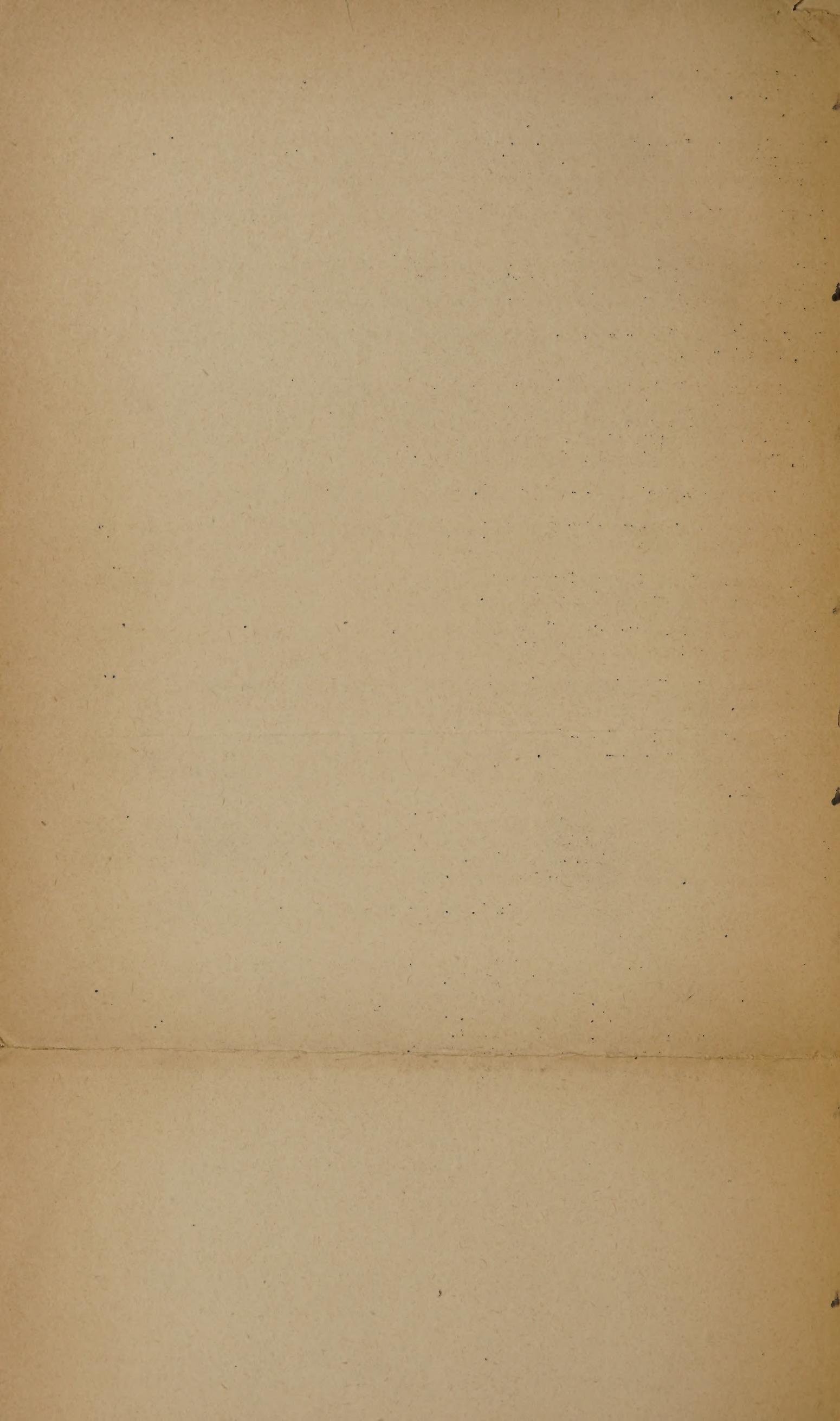
Calls REA Policy "Loose" -- Washington AP story in January 4 issue of New York Times, and elsewhere -- Ward B. Freeman tells Senate committee that REA policy with respect to project loans in 1939 "opened the door to everyone to get on the gravy train."

Head of A & P Gives Farmers Credit for Nation's Food Supply -- New York Times, January 3 -- The farmers of America are winning the battle of production on the food front, according to John A. Hartford, president of the Great Atlantic and Pacific Tea Company, national food-store chain.

Rankin Asks for Power Development in U. S. -- Biloxi Herald, Biloxi, Miss., December 29.

Since the December 31 Press Digest was issued, news stories and editorials concerning the Senatorial investigation of REA, now in progress, have appeared in the following: Washington Post, Washington Times-Herald, Baltimore Sun, Springfield (Ill.) Register, Sioux Falls (S.D.) Argus-Leader, Public Utilities Fortnightly, Des Moines Register, Electrical World, New York Times, Zanesville (Ohio) Times-Recorder, Brooklyn (N.Y.) Eagle, and Co-operative Builder.







Mon., Jan. 31, 1944

1933
Information Division
RESERVE

LOOK AHEAD, DIXIE LAND (Administrator Clattery in Southern Agriculturist, February issue) -- . . . Ten years from now you'll probably be living on an electrified farm. Most of your chores will be done by electricity, some of them automatically as time clock switches turn on feed grinders, conveyors and other equipment. Perhaps you'll even pull field machinery with an electric tractor which guides itself around the field and shuts itself off when the job is finished. You may use a gadget which kills weed seeds before they sprout by treating soil with electricity. And perhaps, standing at the edge of a field, you'll be able to kill all the boll weevils in it at one time just by closing a switch. . . .

When a farmer can throw a switch . . . to help him do a job, he can do more work. Even today, on well-electrified farms, operators are able to do as much as 60 percent more than before they got electric power. Tomorrow, improved equipment and new applications of electricity will go still further in expanding farm production, increasing profits and giving the farmer and his family more spare time.

Farmers are going to be asking for power after the war. Thousands of them are already asking REA for loans to build their own electric systems . . . Private power companies will also be called upon to serve new rural areas. . . . We have made a start in putting electricity to work on the farm. A new day for the farmer is just around the corner.

ENLARGE REA, SUGGESTS NEAL (Columbus, Neb. AP story in Lincoln Journal, Lincoln, Neb., January 12) -- A postwar construction program costing more than 500 million dollars to enlarge the rural electrification field was urged here Tuesday by William J. Neal of St. Louis, deputy administrator of REA.

Neal spoke at the ninth annual convention of the Nebraska association of public power districts, attended by 80 delegates, including some from Wyoming and Missouri.

"We are not making plans to be able to make more plans," he asserted. "We are making plans to be ready for action."

"While there is considerable work to be done, our present studies indicate that with a minimum of effort and expense, REA, its borrowers and others, working together, can have available at a moment's notice a postwar construction program of well over 500 million dollars in the first three years.

"This postwar program will have immediate benefits to labor that would otherwise be released from war plants now producing war material. This program will also be of benefit to those concerned with the processing, transporting, and manufacturing of poles, conductors, transformers, lines and generating equipment, as well as the manufacture of a tremendous volume of appliances and farm equipment"

RURAL ELECTRIFICATION HELD KEY TO SOUTH'S PROSPERITY (Nashville Tennessean, January 12) -- Electrification of farms will contribute forcibly to national postwar prosperity through increased output of foods produced with electric farm equipment, leaders of the Tennessee Rural Electric Co-operative Association predicted at their annual meeting here yesterday. . . .

"The Rural Electrification Administration will be ready to do from \$300,000,000 to \$350,000,000 worth of work after the war," Dr. W. E. Herring, chief of the Co-operatives' Operations Division of REA, said in his address to the group yesterday afternoon. "We could get into the postwar work rapidly after the war, because we have a skeleton organization all ready to carry on the work." . . .

OBJECTIVE OF RURAL ELECTRIFICATION (Secretary of Agriculture Wickard, quoted in "Electricity on the Farm", January issue) -- "We ought to have a twofold objective. One part of that objective is to see that electricity is taken to the rural homes of America as far as practicable -- the other is that we do everything possible to see that those homes that have electricity make a maximum use of it from the standpoint of the benefits that are being derived. . . . After the last gun is fired there is going to be a great demand for agricultural products in this country."

PREDICT FARM ELECTRIC BOOM AT WAR'S END (Chicago Tribune, December 26) -- In the ten years immediately following the war, electric lines will be extended generally to farm homes and at the end of the period at least four million farms will be using 24 hour electric service, G. C. Neff, president of the Wisconsin Power and Light Company, predicted. . . .

He told how private enterprise had pioneered and promoted rural electrification in 1931 and said that the power and light companies were serving more than a million farm customers at retail in 1936, when the government rural electrification administration began operation. . . . The power and light companies are today serving at retail more than two-thirds of all the farmers who have electric service and furnishing at wholesale more than one-half of the electric power required by the other third." . . .

"If the REA co-operatives had paid property taxes on the same basis as do power and light companies in Wisconsin and in addition had paid the 3% federal excise tax, such taxes excluding income taxes entirely would have been nearly as much as the 29 million dollars they paid to the federal government during their lifetime up to

December 31, 1942."

RESTRICTIONS STUNTING GROWTH OF REA MAY BE EASED IN 1944 (Paducah Sun-Democrat, Paducah, Ky., January 3) -- Material restrictions that have minimized the number of homes subscribing for REA power in 1943 may be eased a trifle in 1944, according to C. D. Harris, manager of the Jackson Purchase Rural Electric Co-operative Corporation.

He said he has no definite assurance the ban on sale of copper wire and other materials will be altered but that signs point that way. . . .

"When this war's over we'll set out to finish the REA job in this district. All the homes possible will have a chance to use REA power," he said.

REA LEADERS MEET (Star-Times, January 28) -- Representatives of 20 REA-financed rural electric co-operatives having labor contracts with the International Brotherhood of Electrical Workers met with union leaders yesterday for a conference on labor relations. The conference is being held at REA offices in the Boatmen's Bank Building.

NAVY MAY ACQUIRE NORTH CAROLINA REA CO-OP (Howard Suttle in Wilmington Star, Wilmington, N. C., January 9) -- Uncle Sam's Navy is expected soon to enter the public utility field through purchase of the properties of the Jones-Onslow Electric Membership Corporation's electric generating and distribution system.

Negotiations are now under way between the Navy and Jones-Onslow whereby the former may take over the property of the latter to insure adequate power for the New River Marine Base and Cherry Point Marine Air Base. REA co-op members would, of course, receive continued service over the system.

These negotiations have been under way for some time, with Jones-Onslow having set a purchase price of \$4,345,110.46 and the Navy awaiting a complete survey of the system by its own electrical engineers before making any public comment concerning acceptance or rejection of the offer. . . .

UTILITY FIRM ATTACKS RATE PLEAS OF REA (Oklahoma City Times, January 12) -- A finish fight between the rural electric co-operatives and privately-owned electric utilities over rates in towns where the co-ops have invaded the domain of private utilities was launched before the corporation commission Wednesday.

The scrap broke on the application of the Oklahoma Gas and Electric Co. for a commission order permitting OG&E to charge the co-ops the same rate it charges private consumers if and when the co-op invades a community already being served by the company. . . . F. W. Herndon, representing OPA, said his agency would step into the fight if it develops into a rate-increasing controversy. . . .

POWER ACCORD ATTEMPT FAILS (The Daily Oklahoman, January 13) -- Efforts to compromise the fight between Oklahoma Gas and Electric and rural electrification co-operatives failed Wednesday. . . .

William W. Arnett, St. Louis, rate engineer for the Rural Electrification Administration, testifying as a witness for the co-operatives, said the proposed schedule would increase cost of service $3\frac{1}{4}\%$ per kilowatt hour in communities with population of 250. . . .

O. G. E. HEAD SAYS REA ESTABLISHING PUBLIC POWER PLAN (Oklahoma City AP story in Muskogee Phoenix, Muskogee, Okla., January 13) -- President George A. Davis of the Oklahoma Gas and Electric Co. today accused the Rural Electrification Administration of attempting to establish a public power program through Oklahoma's rural electric co-operatives.

Davis' charges were made as the corporation commission concluded a 3-day hearing on an application of OG&E for increased rates for energy sold to co-ops for use in towns of more than 250 population and for use in non-farm industries. . . .

H. C. Ivester, the co-ops' attorney, told the commission he thought Davis was sincere but that he had missed the point because of the rural electrification program's great benefit to the people. . . .

Davis said his company wanted the co-ops to prosper, that it wanted farmers to have the advantage of cheap power and that it wanted to work with the co-operatives but that it thought they should be subject to the jurisdiction of the corporation commission the same as OG&E. The commission took the case under advisement and directed a study of the earnings and operations of the utility in connection with rural electrification be made. (Similar story in Oklahoma City Oklahoman, January 14).

THE PRESENT CHALLENGE OF RURAL ELECTRIFICATION (C. H. Leatham in Edison Electric Institute Bulletin, January issue) -- It is evident that unless the small farmer can find a way to eliminate drudgery and make his work yield a monetary return comparable to the industrial workers, he will gradually abandon his farm and move to the city as his sons and daughters already have done. . . . We of the Electric Industry must contribute our share to the over-all improvement of life on the farm. . . .

As we have succeeded in electrifying at least enough of our homes to demonstrate what modern time- and money-saving conveniences are like, so have we also made great strides on some farms. However the demand for rural electric line extensions in most

sections of the country comes only from a dual-purpose desire -- for light and a radio -- with perhaps a washing machine and running water as the next things to be done electrically. The use of electricity on all kinds of farms has been very limited in relation to its maximum potentiality. . . .

The real challenge of Rural Electrification for us today is to take Edison's original idea for sub-dividing electric current to every farm, large and small, and develop machines that are useful, then promote and sell them -- or see that they are sold, as soon as war conditions permit. . . .

POSTWAR JOBS FOR VETERANS PLANNED IN ELECTRIC EXPANSION (Hollis Weekly News, Hollis, Okla., December 30) -- . . . This week the Harmon Electric Association completed action to provide for a huge expansion of electric service to the rural citizens in this section, to provide postwar jobs for the servicemen the day the war ends.

"Such expansion will immediately create jobs for our returning boys, not only in line construction and engineering but in industries where meters, transformers, pole line hardware, and all kinds of electrical appliances are manufactured," Henry Templeton, local REA manager, explained as he announced action of the co-op's Board of Trustees. . . .

REA IS THE REASON FOR THIS EXPANSION (Cassville American, Cassville, Wis., January 13) -- . . . Rural electrification is playing an important part in the process of transforming the activities of the Earl Raisbeck farm from exclusive general operations to pure-bred stock raising. The new modern hog-house (pictured) will house 26 brood sows and litters during the farrowing season. The building, 24 x 60 feet, is wired for 20 electric pig brooders. . . .

Earl Raisbeck was co-ordinator and first project superintendent for the Grant Electric Co-operative, which job he held down for the first two years of its existence. . . .

SECOND ELECTRICAL CO-OP ORDERED TO SERVE OUTSIDERS (Denver Post, December 31) -- In its second action of the kind within a week, the Colorado public utilities commission Friday ordered the Holy Cross Electric Association . . . to amend its by-laws and serve non-members before it will be granted the right to buy public utility property in Eagle county. The order was similar to one earlier in the week involving the REA-financed Empire Electric Association . . . Both co-ops were ordered to change their policies to make service available to non-members "without discrimination."

ALABAMA CO-OPS ADD 400 FARMS (Electric Light and Power, January issue) -- Alabama's 20 REA-financed rural electric systems connected 400 additional farms to their lines in the first nine months of 1943 under an emergency program to extend electric service to farms producing food for the war. REA has estimated that 56,200 Alabama farms -- 24 per cent of all farms in the state -- have central station electric service. REA-financed systems furnished electricity to 25,000 of these farms.

REA LINES FUNCTION WELL (editorial, Cobb County Times, Marietta, Ga.) -- Out in the country, we are somewhat helpless when the juice goes off. REA lines have a greater span between the poles and naturally accumulate more ice between the points of suspension which adds to the weight on the wire. Result, they are more likely to snap under a heavy coating of ice.

At our house we got out our kerosene lamps, filled buckets of water (since our water supply depends on electricity), piled up our firewood (because our furnace also depends on electricity.) We were ready for the worst.

But our preparations were all in vain. On Christmas Day the juice flowed as steadily as on a clear July day. The REA lines didn't so much as flicker the whole day long. . . .

ELECTRO-AGRICULTURAL EQUIPMENT SURVEYED BY REA (Electrical Dealer, December issue) -- In December, 1942, REA conducted a survey of 41 selected electrified farms in Ohio and Indiana. The object of the survey was to determine the changes that had taken place in the farming operations, production enterprises, and labor before and after electrification. . . .

Every farmer interviewed, without exception, stated that electric service was a major factor in increasing his food production and decreasing his labor in the performance of specific farm chores. . . .

URGES WORLD FOOD, OIL CO-OP Truman Felt in the Star-Times, January 20) -- . . . Rural electrification co-operative effort may show the principle by which the government can help the people to help themselves within the framework of the present democracy, asserted Murray Lincoln, president of the Co-operative League of the USA, speaking today at a gathering of leaders of co-operative organizations in a score of nations . . .

ITEMS OF INTEREST TO THE REA STAFF

Millions of Homes Still Lack Electricity, REA Reports (Washington UP dispatch in Wall Street Journal, January 11. Also, article in Electrical World, January 15.)

Not Utopia But Home (editorial in Chattanooga Times, January 7) -- TVA Director Lilienthal, in Decatur, Ala., address, warns that economic planning is not easy; that a new world will not arise from the ashes of the old at the end of the war; that unrealistic thinking paves the way for demagogues. Also cites TVA's success in supplying cheap electricity to the Valley.

Utilities Look Forward to Postwar Work (Santa Barbara News-Press, Santa Barbara, Calif., January 2. Similar article in Journal of Commerce, New York City, January 10, by P. S. Arkwright, president of Georgia Power Co.)

Says Investigation "Is Long Overdue" -- letter from Minnesota Municipal Utilities Association to Senator Shipstead, Electrical World, January 8.

NRECA Postpones Annual Convention -- Electrical World, January 8 -- Meeting, originally scheduled for third week in January, now tentatively set for March.

Backs Sho-Me Purchase -- Co-operative Consumer, December 31.

Wickard Urges Huge Postwar Food Production -- AP story in Globe-Democrat, January 17. Secretary Wickard's proposed agenda for a program of increased food production after the war calls for rural electrification, among other improvements.

Missouri Electric Now Owned by REA -- Sullivan News, Sullivan, Mo., January 6.

Farm Dwelling Copper Wire is Available -- Wadesboro Messenger and Intelligencer, Wadesboro, N. C., January 13.

Farm Use of Electricity Rises in 1943 -- Chicago Herald and American, January 11. REA's annual report.

First in Peace -- editorial, Nashville Tennessean, January 13 -- Tennessee Rural Electric Co-operative Association plans to bring electricity to a much larger number of farms after the war.

Low Cost Electricity Vision of Johnson, Helps Farmers Produce Food for Victory -- Austin Herald, Austin, Tex., January 6. -- Extols efforts of Congressman Lyndon B. Johnson in Texas' rural electrification programs.

Democrats Plan to Win Back Farm Vote, "Lost by Misfits" -- UP story in Star-Times, January 6.

Why the REA Co-ops Will Be Self Liquidating -- Administrator Slattery in Public Utilities Fortnightly, January 20.

Senate Votes Co-ops Must File Returns -- Washington AP story in Globe-Democrat, January 19. -- Affirming action of House, Senate votes 43 to 34 to retain in new tax bill provision requiring unions, farm co-ops and other such organizations to file annual financial statements with the Treasury.

Party Plans to Lay Farm Row Before Roosevelt -- D. Harold Oliver's Washington AP dispatch in Globe-Democrat, January 21. Similar story in Washington Post, January 19.

Co-operative Lauded for Assistance. -- Portland Commercial Review, Portland, Ind. January 15. -- Indiana 37 Jay extends 1400 ft. emergency line to Hartman place so that incubator for newly-born twins can operate.

Rural Electrification - Pause for Thought -- Beama Journal, organ of British Electrical and Allied Manufacturers' Association, November, 1943. -- Regrets Canadian policy of suspension of rural electrification during wartime and foresees problem of uninformed controversy when the time for tackling the problem in Britain arrives.

Franklin County Family Wins National Award -- St. Albans Daily Messenger, St. Albans, Vt., January 13. *** National REA Award to Larson Family Brings Prestige to Steele County -- 2 pages of photos in Steele County Photo News, Owatonna, Minn., January 20. *** Honor King Family for Increased Farm Production -- Burlington Free Press, Burlington, Vt., January 23. *** Four Grant County Families Win National REA War Food Award, Grant County Independent, Lancaster, Wis., January 20. *** Power is the Answer -- St. Paul Pioneer Press Rotogravure, January 16, St. Paul, Minn.

REA Payments Up 100% -- item in Washington Round-up, Chicago Journal of Commerce, January 11.

Experts Studying Rural Electrification in British Columbia. -- Electrical West, January issue.

NRECA Would Buy 156,881 Appliances -- Electrical World, January 15

Fly in the Ointment -- editorial, Oklahoma City Oklahoman, January 16 -- Supports Oklahoma Gas and Electric in its efforts to raise rates to REA co-operatives. Scores bureaucracy.

Since the January 15th issue of the Digest, stories and editorials on the Senate investigation of REA have appeared in the following: Nashville Banner, New York World-Telegram, Washington Evening Star, Washington Times-Herald, Baltimore News-Post, Public Utilities Fortnightly, Electric Light and Power, Range Facts (Virginia, Minn.), Public Power, St. Louis Star-Times, and St. Louis Post-Dispatch.

REA PRESS DIGEST

Information Division

Tues., Feb. 15, 1944

Reserve

POWERED FOR WAR (W. H. Kircher in The Farmer, St. Paul, Minn., January 15) --

Farmers in McLeod County, Minn., had electricity for some time before the war. Like farmers elsewhere, they found it convenient at first, and then a little later, they found convenience turning to necessity. The turning point came when war brought on a help shortage concurrent with a tremendous demand for the products of their farms. Go out along the rural lines of McLeod County now and you'll find farmer after farmer who will tell you that the power unloaded from those lines has been the means of saving labor on the scores of jobs which have come along with stepped-up production.

Take the Fred Boehlke farm as an example. When the line serving that farm was energized in late February of 1938 they were among the first consumers. At the end of March that year their meter showed that they had used 74 kilowatt hours of electricity. They jumped their use to 507 kwh in March the following year and in March of 1943 they used 859 kwh. Last year the farm produced 2000 turkeys, 500 hogs, 46 feeder cattle and 1500 chicks. . . .

Farmers along the REA lines in McLeod County are making the fullest possible use of electricity now, and they are planning even heavier use when the war is over and more equipment is available. Many say that the piece of farm equipment they'll buy first is a farm freezer. . . . Although wartime use of current has made electricity a most popular hired hand, it will be even more popular when more equipment is available.

STATE CANNOT TAX REA-LINES (Des Moines Register, February 9) -- The Iowa State Supreme Court ruled Tuesday that rural electric co-operatives cannot be taxed by the state because they are non-profit organizations. . . .

Under the decision, the co-operatives will not be taxed by the state as corporations, but the members' shares in the co-operatives will be subject to taxation as real estate, assessments in this case being made by township assessors and not by the state tax commission as is the case with public utility corporations.

The Supreme Court's decision upheld a previous ruling by District Judge Loy Ladd, Des Moines, who granted the co-operatives' plea that the tax commission be enjoined from assessing them. . . .

FOUR WISCONSIN FAMILIES HONORED FOR "PUTTING ELECTRICITY INTO OVERALLS" (Dubuque Telegraph-Herald, Dubuque, Iowa, January 27) -- While five hundred of their friends and neighbors looked on, four Grant County farm families stood before the footlights on the stage of Lancaster's municipal theater Wednesday and received the national food award. They were the first families in Wisconsin to be so honored. The presentation was made at the annual meeting of the Grant Electric Co-operative on behalf of Administrator Harry Slattery of REA, by George Dillon of St. Louis, regional chief of the Applications and Loans Division, and a native of Iowa. Mr. Dillon read a citation from Mr. Slattery after presenting each of the four families with the award.

"It is a symbol of the esteem in which the nation holds those of you on the farm front, who by your resourcefulness have put electricity to work to produce more food for the war effort," he said. . . .

MINNESOTA FAMILY WINS REA AWARD FOR PRODUCTION (The Farmer, St. Paul, Minn., Feb. 5)

-- Having harnessed the power line past their home to do every known job that electricity can do on a farm, thus getting greatest possible production out of their own labor, members of the John Larson family, Steele County, were recently singled out to receive REA's National Award of Merit for high efficiency in food production.

Two sons, Edwin, 20, and Raymond, 26, are in the Army. Meanwhile Mr. and Mrs. Larson, their son Stanley, 32, and a hired hand have been making their 332 acres produce just a little more food than it produced before the war. . . .

Electricity in the house helps Mrs. Larson, permitting her more time for outdoor activities. It also does the milking, operates a compressor to grease farm machinery, and helps in many other jobs. . . .

Mrs. Larson fingered the Purple Heart Medal, awarded her son Edwin after he was wounded in North Africa, and said, "Of course it's hard for us to get all the work done that we must do, but Edwin and Raymond are having a much harder job over there fighting Germans than we are having here on the farm."

POPE SAYS REA PLANS DEPEND UPON CONGRESS (Atlanta Journal, February 2) -- Electrification of the 4,000,000 farms in the nation which are now without power will depend largely on the attitude of Congress after the war, James P. Pope, director of the Tennessee Valley Authority, said in Atlanta Wednesday before the Southeast section of the American Society of Agricultural Engineers.

Mr. Pope . . . said he thought "there is a good deal of uncertainty as to what Congress will do. Congress may follow a very conservative policy for a while, not only with respect to expenditures for public works in general, but for public power projects as well."

He added, however, his belief that even a Congress intent on cutting Government expenditures "may be impressed with the financial difference between public works in general, where there is no direct money return to the Government, and those that are self-liquidating. . . All, or practically all, of the money that REA is lending rural co-operatives will be repaid to the Government. . . ."

"Sooner or later, the other 4,000,000 farmers of the nation must be given their opportunity for electricity in their homes and on their farms. They are as much entitled to it as are the people of the cities. This right is a part of the heritage of all Americans."

MORE POWER FOR THE NATION (editorial, Post-Dispatch, February 8) -- The Twentieth Century Fund, completing a survey of the power industry, makes a recommendation that has to do with the industrial strength of the nation both for war and for peace. It proposes greater inter-connection of electric utility systems, publicly-owned and privately-owned. . . .

(Editor's Note: A portion of the Twentieth Century Fund release, from which the above editorial was written, follows:

. . . In supplying electricity in rural areas, the Fund's summary says, "Rural co-operatives are only now beginning to emerge from their developmental stage and it is not yet clear whether they can cover their costs. If they can, they offer a cheaper form of electric service than private systems can afford to give."

"Few statistics are available to show whether rural co-operatives can maintain their present rates without subsidy. Since the program is still in the stage of building up its load, current statistics do not indicate whether revenue will ultimately cover costs. A comparison of August, 1938, with 1939 records for 650 systems financed by the Rural Electrification Administration shows, however, that net revenues increased about 80% and operating costs by only 21%. This suggests steady progress.")

WALLACE URGES U. S. FOOD, HOUSING, SCHOOL PROGRAM (Post-Dispatch, February 7) -- Vice-President Henry A. Wallace last night urged a program based on good food, good and plentiful hospitalization, good housing and better schools to build a busy and happy postwar United States. He spoke before an estimated 8000 persons on a tour of the Pacific Coast states. . . .

"Rural electrification and the inventions which go with it will hasten the march of the common man back to the country and nature. . . ."

OTSEGO RURAL POWER PROJECT TERMED LARGEST IN NEW YORK STATE (Utica Observer-Dispatch, January 30) -- Construction of the largest rural electrification system in New York State is now under way . . . it was announced Saturday by John Kissel, manager of the Otsego Electric Co-operative, Inc., which is undertaking the project to furnish electric power to farmers of four counties. . . .

UTILITY HOLDING COMPANY PLANS RE-ORGANIZATION; REFUSES TO SELL TO OHIO CO-OPERATIVES (New York Herald-Tribune, January 28) -- . . . Speaking at the SEC hearing on Associated Electric Co.'s proposal to sell its interest in Ohio-Midland Light and Power Co., Eugene L. Hensel, counsel for a number of Ohio electrical co-operatives, told the commission's trial examiners that if the co-operatives were allowed to purchase Ohio-Midland, "the power rates thereafter will be the lowest ever offered in Ohio."

Associated has refused the offer made by the co-operatives, according to yesterday's testimony by A. F. Tegen, president of the company, and has accepted the offer of \$1,885,000 made by Joseph C. Wilson of Chicago, subject to commission approval.

Mr. Tegen asserted that the Rural Electrification Administration, which is financing the co-operatives, "blights any property it takes over, scares off private investors, and stirs up municipal ownership sentiment."

The co-operatives involved own power lines adjacent to the Ohio-Midland properties and propose to construct additional lines for service to approximately 4,000 farm families in central Ohio who now have no electric service, Mr. Hensel said.

DEFENSE PLANT CORPORATION IS CO-OP MEMBER (Public Utilities Fortnightly, February 3)

-- The Defense Plant Corporation, which buys large blocks of power from Ark-La Electric Co-operative and the Southwest power pool for the production of aluminum ingots at its Jones Mill Works at Lake Catherine, is claimed to be a member of the co-operative, it was disclosed last month.

The claim was revealed in an answer filed by Ark-La with the state utilities commission on January 8th to a complaint of four large power companies alleging that the co-operative was a "public utility" and asking that it be brought under jurisdiction of the commission.

The answer filed by Ark-La's lawyer, Eugene A. Matthews of Little Rock, disclosed the status of DPC in one brief sentence of the 8-page document. "The defendant admits that the Defense Plant Corporation was not an incorporator of defendant but denies that it is not a member," it said.

THE INVESTOR'S COLUMN (New York Sun, February 4) -- The ambitious programs of rural electrification expansion which utility companies throughout the country have

determined to carry out as rapidly as critical materials are made available, coupled with rate reductions and easier deposit requirements, are expected to open a vast market for electrically-operated farm appliances.

Before the war, rural electrification was progressing rapidly, because of the initiative of private capital and the activities of the Rural Electrification Administration. This Federal agency was set up to encourage the extension of power service to farms not previously regarded as profitable prospective customers. The REA made loans to private utilities for this purpose, but the figures indicate that the rural expansion was financed as much by the companies themselves as by the Federal body.

On account of the drive for greater food production, which will become more pressing as Axis-occupied countries are freed, it is expected that priorities for extension of electric service to farms will be softened well before the war ends....

REPAYMENTS OF REA PRINCIPAL AHEAD OF DATE (Springfield Register, Springfield, Ill., February 3) -- Repayments of principal made ahead of schedule on rural electrification administration loans in Illinois increased from \$350,000 to more than \$1,000,000 during the last fiscal year, according to a report from REA received today by Howard Leonard, state director of agriculture and chairman of the state rural electrification committee. . . . *

ITEMS OF INTEREST TO THE REA STAFF

A picture of Guy W. Thaxton, taken at the convention of the American Institute of Electrical Engineers, appears in the February 5 issue of Electrical World.

Rural electrification to expand after the war -- A. V. S. Lindley, vice-president of Connecticut Light and Power Co., in Hartford Courant, Hartford, Conn., January 23, -- CL&P has plans to build 700 miles of line to serve 1360 farms just as soon after the war as it can.

35 Million Voted to Recruit Farm Labor -- Globe-Democrat, January 29 -- Senate approves \$35,000,000 appropriation to expand the government's program of farm labor recruitment at home and abroad.

1944 Food Supply Not Plentiful, Says Wickard -- Washington AP story in Post-Dispatch, January 31. -- Food is not likely to be plentiful this year for either side in the war, says Secretary of Agriculture in annual report, but the United Nations will probably make out better than the Axis countries, particularly Germany. (Similar story in Star-Times, January 31.)

Big Power Program -- editorial, Sacramento Bee, January 15. -- Quotes Deputy Administrator Neal's recent speech in Little Rock predicting REA's expansion after the war. (Similar editorial in Fresno Bee, January 19.)

Depends on Small Towns to Build America Anew -- James P. Warbasse in Co-operative Consumer, January 17. -- Rural electrification should bring not only power, light and heat but also the telephone, radio and television.

Rank and File Kilowatts -- McAlister Coleman in The Nation, January 29. -- Comments on private power companies' opposition to public power projects in the Northwest.

How Vital Needs Are Met -- Electricity -- Willa Lee Taylor in The Instructor, February issue. Gives an outline of instruction on elementary principles of rural electrification for grade-school pupils.

An item in Jerry Klutts' "Federal Diary", Washington Post, January 30, predicts that the Administration will co-ordinate the work of the widely-scattered power agencies in the Government.

Program for the Postwar Era -- extension of remarks of Rep. Harold Knutson of Minnesota, in the Congressional Record, February 2. -- "No. 13. Electric highlines should be promoted at minimum rates of service to encourage back-to-the-farm movement and lessen hardships thereat and make rural life more attractive."

It Doesn't Hook Up -- extension of remarks of Representative Clare E. Hoffman of Michigan, Congressional Record, February 2. -- Says he has received requests to support additional appropriations for rural electrification (and for several other agencies and purposes) and wonders how appropriations can be increased without increasing people's tax burden.

G. B. Hill To Be Promoted -- New York Times, February 3. -- President Roosevelt nominates Grover Hill, assistant Secretary of Agriculture, to be Under-Secretary of Agriculture, succeeding Paul Appleby who recently became assistant director of the budget.

Arizona Co-op Buys Utility -- Tucson Star, January 27. -- Sulphur Springs Valley Electric Co-operative extends service to 1300 additional consumers through the acquisition of the Southern Arizona Public Service Company.

Co-operative's Bid for Virginia Public Service Co. Ignored, Jeffries Tells SEC. -- Washington Post, February 3. -- Thomas A. Jeffries, president of Commonwealth Electric Co-operative, testifies that a New York man offered to lend Commonwealth up to \$5,000,000 cash to purchase the common stock of Virginia Public Service Co. . . . Testimony came at SEC hearing at which Commonwealth is protesting sale of common stock of General Gas and Electric Co. to Engineers Public Service Co.

North Dakota Postwar Outlook Aired. -- Fargo Forum, January 28. -- North Dakota state postwar planning board meets. M. T. Ulteig, field construction engineer for REA, forecasts a tremendous business impetus resulting from electrification of farms after the war.

Vermont Rural Policy Committee Urges Postwar Land Development, Zoning and Rural Industries -- Burlington Free Press, January 25. -- Vermont rural policy and postwar planning committee meets. Harry Bowman, manager of Vermont Electric Co-operative, presents report on rural electrification, recommending following objectives: extension of central station electric service at low-cost non-discriminatory rates to all rural communities and farms as soon as possible; maximum application of electricity to farm production and farm living; maximum use of electricity in rural communities for economic, social and cultural advancement; and use of electric power for development of rural industries to provide greater employment and more cash income for rural people.

Size of Secondary Conductor to Prevent Lamp Flicker -- article in Electrical World, February 5, by S. Lubin and F. B. Scott of the Technical Standards Division.

Reviews of M. M. Samuels' new book "Power Unleashed" have recently appeared in the following publications: Military Engineer, February; American Scientist, January; Science News Letter, January 29.

\$92,000 on Loan Repaid by Linn REA -- Cedar Rapids Gazette, Cedar Rapids, Iowa, February 1. -- Linn County Rural Electric Co-operative Association reports repayment of \$92,000 on its loan, and purchase of \$13,320 in war bonds.

Unions and Farmers in Oklahoma Form Council -- Daily Worker, New York City, February 7. -- AFL, CIO, Railroad Unions, farmers and consumer organizations have joined in establishing the statewide Oklahoma Unity Council to advance democratic action in government and other fields. Among the items listed on the program is extension of rural electrification.

Farming Then and Now -- excerpt from speech delivered by Josephus Daniels before North Carolina Farm Bureau Federation, Raleigh, February 2; extension of remarks of Rep. Lister Hill of Alabama, Congressional Record, February 7. -- "The Rural Electrification Authority also has brought the blessing of electrical power to 151,532 country homes as compared with only 11,558 farms having this power back in 1935."

Since the January 31 issue of the Press Digest, stories and editorials on the Senate investigation of REA, now in progress, have appeared in the following: New York Times, Minneapolis Tribune, Des Moines Register, Madison (Wis.) Journal, Electrical World, and the three St. Louis papers.



REA PRESS DIGEST

Information Division

Tues., Feb. 29, 1944

FIRST FARMER CO-OPERATIVE ELECTRIC LINE IN NEW YORK STATE IN OPERATION NEAR JAMESTOWN (New York Times, February 17) -- The first farmer-owned rural electric line in New York State went into operation at Cherry Creek near Jamestown today at 5 p.m. when nine miles of line were energized at ceremonies held at the sub-station of the Chautauqua-Cattaraugus Electric Co-operative, two miles north of Cherry Creek.

O. W. Briden of St. Louis, co-ordinator of the Rural Electrification Administration for New York State, congratulated seventy-five farmers present, saying the occasion was a historic one for New York State. The turning on of current marked the end of a long fight by farmers to obtain their own electric service, he said. . . .

Twenty-five to thirty farmers will receive current in the next few days, with power to be carried to 238 farms over 103 miles of line within the next few months. Power is purchased from the New York Gas and Electric Company.

The WPA gave the REA-financed co-operative . . . special approval for the construction of the line on the basis of the contribution to wartime food production which the dairy farms in the Chautauqua-Cattaraugus area are expected to make with the aid of electricity. . . . An increased flow of milk to the Buffalo market is expected. . . . (Similar stories in New York Herald-Tribune, 2/14, and Buffalo Courier-Express, 2/13.) . . .

NEW RURAL ELECTRIC LINES IN NEW YORK STATE BEING PUSHED. (Editor's Note: This is an earlier story on the New York co-ops, from the Schenectady Union-Star, February 8) -

Construction of 645 miles of rural electric lines in three counties, now being pushed by two REA-financed farmers' co-operatives under special authorization of the War Production Board, will help to assure a steady flow of milk to Schenectady and other Eastern cities, John Kludas, manager of the Delaware County Electric Co-operative, said today.

The lines will serve 1400 members . . . most of them high-producing dairy establishments. The farms to be served milk about 36,000 cows and, according to Samuel J. Lape, chairman of the Schoharie County USDA War Board, there has been a "serious labor shortage" in the area.

"Providing these farms with electric power would greatly relieve this condition. It would prevent farmers from trying to adjust their farm business to this labor shortage by selling their cows.", Mr. Lape stated. . . .

Construction of the lines will mark the end of a protracted fight waged by these farmers to get power. Utility concerns in the area have generally built only short extensions to existing lines. However, the War Production Board authorized building of entire sections of the co-operative systems as a war measure. . . .

FIVE FAMILIES TO GET AWARDS AT SIKESTON (Globe-Democrat, February 21). -- REA War Food Production Awards for 1943 will be presented to five families at the meeting of the Scott-New Madrid-Mississippi Co-operative Association at Sikeston Wednesday, H. M. Zaricor, manager of the co-operative, announced today. . . .

Each of the families will receive a plaque symbolizing the award and bearing an inscription by Harry Slattery, REA Administrator. (Photo, Post-Dispatch, complete edition, 2/25, shows three of the five families.)

ELECTRIFICATION BOON (front-page column "The Day In Indiana", by Maurice Early, Indianapolis Star, February 21) -- Widespread electrification of rural Indiana in the years just before the war is now paying dividends in food production. Electricity is compensating for shortage of labor. On farms completely equipped with power machines and devices, it is found that production can be maintained with one less man worker.

Attention is being called to this wartime boon by the Rural Electrification Administration which is to present production awards to members of rural electric co-operatives in Orange and Henry counties next month. . . .

RURAL ELECTRIFICATION (editorial, Montana Farmer, February 1) -- Farmers who contemplate the extension of rural electrification to their districts after the war would be able to picture the advantages of such a development clearly if they could visit the farms of some of the families already benefitting from electrical service.

Take Guy D. George of Beaverhead county, for instance, who lives in an area served by an REA-financed system. The George home enjoys every modern convenience that could be found in the most completely equipped city residence. It is well lighted with permanent fixtures, including floor lamps. In the kitchen are an electric range, water heater, refrigerator and numerous small electrical appliances.

Laundry equipment consists of a washing machine and an ironer. Other equipment includes a large walk-in cooler equipped with a quick-freeze unit, barn lights, chicken coop lights, milker, milk cooler, water heater, churn and separator, and electric chick brooders of sufficient capacity to handle 1,000 early chicks and 2,000 turkeys.

While the cost of the electricity averages about \$40 a month, the equipment displaces the services of a hired man. It would be difficult to estimate the value of the added convenience and comfort around the farm home.

Such electrification cannot come to all rural districts of the state immediately after the war . . . but a considerable extension of electrification awaits only the availability of materials. Still more will come as additional electrical energy becomes available through the construction of the new multi-purpose projects being planned by the bureau of reclamation and from other developments. . . .

ILLINOIS FARMER WINS TWO-YEAR FIGHT FOR ELECTRIC SERVICE (Star-Times, February 16) -- A 40-year-old Macoupin County, Ill., farmer who raises food for his country's armed forces finally has won his one-man, two-year fight against a utility corporation.

Victory for him was written into the records of the Illinois Commerce Commission yesterday when the Union Electric Co. of Illinois was ordered to furnish electricity to Lester E. Bierbaum, who lives on a 160-acre-farm three miles northeast of Fosterburg, Ill.

As explained by Bierbaum, it all started more than two years ago when he signed up with a group of Madison County farmers to take electric service from a projected Rural Electrification Administration power line.

Union Electric took over the project but stopped the line at the Madison-Macoupin boundary, less than half a mile from Bierbaum's home.

"They said they would extend the line to my place if I would buy it - for \$500," said Bierbaum. "I refused. I didn't want to go into the utility business. All I wanted was electricity. They dropped their price to \$340 but I still refused." . . .

The commission pointed out that, when it authorized construction of the power line, the company was permitted to serve adjacent territory up to half a mile from the line. And Bierbaum's farm is less than that distance. . . .

Bierbaum's wife and 20-year-old son help him with the 103 acres of wheat, corn, alfalfa and soy beans, 16 head of cattle, four horses and 35 hogs. . . .

"When I get my electricity," he beamed, "I'll pump water to my stock, get an electric refrigerator, electric stove -- if I can buy them -- and I know for sure I'll have electric lights."

EMPIRE ELECTRIC CHANGES BYLAWS TO BUY UTILITY (Denver Post, February 15) -- The Empire Electric Association, Inc., a federally sponsored rural electrification co-operative, has become the first REA organization to comply with a new policy of the Colorado public utilities commission requiring service to non-members as a requisite to purchase of public utilities properties.

Chairman Sherman of the P.U.C. said the Empire Co-operative notified him it had changed its bylaws and policies to permit sale of energy to the public, instead of restricting sale to members as heretofore. As a result, Sherman said, the commission has issued a supplementary order allowing final transfer of properties of the Highland Utilities Company in Montezuma county to the Empire association. . . .

FROM DAY TO DAY WITH POULTRY (E. M. Funk in Weekly Kansas City Star, February 8) -- Many poultry raisers this spring would like to brood chicks with electricity - if they could get the brooders. You may not be able to buy a new electric brooder but rural electrification specialists of the Department of Agriculture say there is no reason why you cannot make your own -- put it together yourself out of non-critical materials . . . costing about \$7 or \$8 . . . If you would like to have a copy of free, easy-to-follow plans for making the brooder, write the Rural Electrification Administration, St. Louis, Mo. (Editor's Note: This article was taken from the USDA Farm Flash (radio release) of January 26, 1944 and resulted in over 400 requests for REA chick brooder plans.)

CLAY-UNION REA FINDS POLE SUPPLY LACKING (Sioux Falls Argus-Leader, Sioux Falls, S. D., February 10) -- In the process of connecting 75 new consumers in three counties, the Clay-Union Electric Co-operative is having little trouble in obtaining copper wire but is running into considerable difficulty in getting necessary poles, according to T. A. Tullis, acting manager. . . .

He said that orders for copper wire have been arriving within three weeks but that it is unusual to receive a pole order within less than four months.

ITEMS OF INTEREST TO THE REA STAFF

IN BEHALF OF THE 631 EMPLOYEES of the Rural Electrification Administration, who topped all organizations in this area for war bond purchases, Chester Lake, REA bond drive chairman, accepts the Treasury Department pennant from Walter Head, state chairman of the War Finance Committee. The REA employee subscription averaged \$162.50 in bond maturity value per capita. Pictured (in the Star-Times, February 29) are George Gilleland, Jeanne Breville, Joseph Schaezner, Mr. Lake, Mr. Head, F. M. Trimble, Dale Etter, Julia Novosal, Marian Barry, Betty Spiva, Mildred Dyer, Ethel Lincoln, and Ida Beeth.

Heads Red Cross Drive Unit -- Star-Times, February 23. -- William J. Neal is named head of the government unit of the Red Cross War Fund Campaign. (Also in Post)

He'll Have a Job -- column by Frank C. Waldrop, Washington Times-Herald, February 12. -- Mentions REA in a list of "typical examples of revenue- and non-revenue-producing activities of the Federal government."

Your Dollars and the War -- Sylvia F. Porter in the New York Post, February 10. -- Says that the proposed liquidation of HOLC also endangers the life of other government agencies, including REA.

Nelson Speaks Out for TVA and Progress -- editorial in Paducah Sun-Democrat, Paducah, Ky., February 8. -- Editorial criticizes proposed bill sponsored by Kentucky Utilities Company which "would most certainly disable all the rights that Kentucky cities have under existing laws to acquire electric properties." Says that TVA power can be distributed only through systems owned by the consumer -- by the city or REA co-operatives. "That is a wise provision of law because it guarantees that all the benefits of low rates shall go to the consumers."

Public Power Advocates Seek More Projects -- J. L. Matt in New York Herald-Tribune, February 13. -- Despite the proven adequacy of the electric generating facilities of the country which have met all war production and civilian demands thrust upon them, the public power advocates in Congress have once more introduced legislation to increase the number of Federal hydro-electric projects under the usual camouflage of flood control." . . .

Civil Service Commission Urges Health Plan for Federal Workers -- New York Times, February 17.

"Who is Responsible for Farm Electrification -- Free Enterprise or the Government? -- Article by J. A. Whitlow, vice-president of Oklahoma Public Service Company, in Edison Electric Institute Bulletin, February issue.

Simplified Method of Establishing Electric Rates Recommended -- AP dispatch in Globe-Democrat, February 21. -- Twentieth Century Fund survey recommends open and frank negotiations between utility company management and regulatory commissions as a means of providing better service for consumers and better returns for investors, rather than long and drawn-out 'rate cases.' (Also New York Times, Feb. 21)

Father Peters, A Pioneering Priest -- F. A. Behymer's article in Post-Dispatch, February 22. -- Tells of Father Frederick Peters' splendid record as Catholic priest in Glennonville, Mo., for the past 38 years. Among the offices he holds there is that of vice-president of Ozark Border Electric Co-operative.

Movies Aid Farmers -- Government Films Show Farmers How to Repair Machinery -- New York Times, February 22.

Since the February 15 issue of the Press Digest, stories and editorials on the Senate investigation of REA, now in progress, have appeared in the following:

New York Times, New York Herald-Tribune, Washington Evening Star (cartoon 2/18), Washington Post, Washington Times-Herald, Washington News, Baltimore Evening Sun, Chicago Sun, San Diego Union, Electrical World, and the three St. Louis papers.



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REA PRESS DIGEST

Information Division

Wed., March 15, 1944

RULES AGAINST CO-OP PURCHASING UTILITY (Electrical World, March 4) -- The words "now being served" in the Indiana charter for rural electric membership corporations mean that the co-ops can not purchase existing utilities, according to a ruling by Judge Judson L. Stark of the Marion County Superior Court in Indiana. Efforts by the REMCs and REA to purchase going concerns and add their customers to the number of their members were held illegal in the case of Public Service Co. of Indiana vs. Public Service Commission of the state, January 27.

Petition of the Southeastern Indiana REMC to purchase the business and facilities of Southern Indiana Power & Light Co. centering around Vevay had been approved by the commission. Public Service Co. opposed the petition, averring its willingness to purchase the system and serve it direct. It already supplied power wholesale to the smaller company, as well as the REMC. The argument of the company pointed out that it would use its own funds for the deal, obviating the need for another loan from the U. S. Treasury.

In overruling the demurrer entered by the Commission and the REMC after the Commission approved the petition, Judge Stark said:

"...If the legislature had meant by the words 'being served' only that it should not enter into competition, it could surely have said so in some manner. It is not a question of convenience and necessity and not a question as to whether such purchase and sale would be in the public interest."

POWER EXPANSION TO ASSIST POSTWAR ERA, REA MAN SAYS (Portland Journal, Portland, Ore. February 23) -- (By Francis Blakely) -- A program of large-scale construction and manufacture of materials to supply new markets in the Northwest will provide profitable private employment for thousands of returning soldiers when the war has been won, in the opinion of William J. Neal, deputy administrator of the Rural Electrification Administration who spoke Tuesday to REA co-operators, the Bonneville Administration and public utility districts. Neal, one-time master of the New Hampshire State Grange, was declared to be one of the youngest grange masters ever to have served by Ray Gill, past master of the Oregon State Grange.

In developing the widest possible use of power, the rates at which it is made available are a basic and essential factor, the speaker pointed out. Though less noticeable to people of the Northwest who enjoy the low-cost Bonneville power, from a national standpoint the downward trend in the average wholesale rate of power purchased by REA-financed systems is especially obvious, he continued.

WASHINGTON MERRY GO ROUND (Drew Pearson's syndicated column, Star-Times, March 10) -- The Rural Electrification Administration actually is alarmed over the fact that its member co-operatives are paying their debts too fast.

All over the country, farmers are using more electricity for their brooders, pumps, milkers, feed grinders, and so on. They can't get human labor but they can hire an electric chore boy. Result is a sharp increase in consumption of rural electricity, likewise an increase in the revenue of REA co-operatives.

Therefore, REA is salting away cash at a great rate. The various co-operatives have invested \$5,000,000 in war bonds, \$6,000,000 in local banks, and are \$15,000,-000 ahead in repayments to REA.

Reason this worries Washington and REA headquarters in St. Louis is that the seeming profits may encourage state tax authorities to add new tax burdens to REA co-operatives. Instead, Federal officials feel this money should be saved as a post-war cushion of credit.

After the war, kilowatt consumption will fall off, and revenues will decline. At the same time, expenses will shoot up because of construction and maintenance which have been put off during wartime. Meanwhile, an agency once criticized as probably insolvent is rolling in wealth.

REA AWARD FOR CLARK FAMILY FIRST IN KENTUCKY (Lexington Herald, February 28) -- Kentucky's first REA Food Production Award for 1943 will be presented to the Charles Berryman family, turkey-stock-tobacco farmers of near Winchester, at the annual membership meeting of the Clark Rural Electric Co-operative March 7.

Mr. and Mrs. Berryman used electric brooders, brooder house lights, running water, an electric incubator, an electrified farm shop, and household labor saving appliances in 1943 to help them double their marketable output of cattle and lambs, more than double their production of turkey poult, and increase by 50% the turkeys raised for market.

REA AWARD FOR AMANA SOCIETY (Des Moines Register, February 20) -- The Amana Society will receive the Rural Electrification Administration Food Production Award on Friday in the first presentation of its kind to an entire community.

Based on outstanding use of electricity in agriculture, the award will be made in brief ceremonies on the seventh anniversary of the coming of high-line electric service to the homes, farm installations and industries of the seven Amana villages.

AMANA PRESIDENT MAKES FINAL PAYMENT TO REA (photograph and caption, Cedar Rapids Gazette, February 27) -- On the seventh anniversary of the energization of the Amana Electric lines, Louis C. Selzer, president of the Amana Society, hands to Joseph H. McCombs of St. Louis, REA operations engineer, a check for payment of the balance of a \$37,000 loan REA made in 1937 to bring electricity to the Amanas.

Charles G. Eichaker, manager of the Amana Electric Co-operative, looks on. Although the co-operative could have repaid the full balance, \$150 of the loan was kept on the books to give the co-op the benefit of engineering, auditing and advisory services through affiliation with the national REA, Selzer said. . . .

ENOUGH ELECTRICITY TO PLOW 100 ACRES IS USED ON FARMS (Bloomington Pantagraph, Bloomington, Ill., February 24) -- If the electric current used in a year by the average farmer were converted to tractor horse power, it would be sufficient to plow 100 acres of land, according to Ted H. Hafer, manager of the Corn Belt Electric Co-operative, reporting at the Co-op's annual meeting this week. . . .

E. J. Stoneman, NRECA vice-president, . . . predicted that homes will be electrically heated in the future . . . and classed the farmers' right to full use of electric service as one of the human rights that would have been encouraged by Abraham Lincoln . . . He favored asking Congress for \$75,000,000 annual appropriations for REA in the future, instead of the \$40,000,000 appropriations that have been made in the past.

ELECTRICITY ON 108,000 FARMS (Des Moines Register, February 27) -- Electricity is providing light and heat and easing the burden of housework and operational tasks on more than 108,000 Iowa farms. . . .

It has been the means of accomplishing jobs once performed by sons or hired men who have gone to the armed services or to war plants; has eased labor tasks to permit new production enterprises. . . .

REA SPECIALIST TO SHOW HOME-MADE EQUIPMENT (Jamestown Post-Journal, Jamestown, N.Y., February 3) -- . . . Because of the war few farmers have electrical appliances and there are few such devices on the market. To relieve this situation, the Chautauqua-Cattaraugus Electric Co-operative has obtained the services of an REA specialist, Daniel W. Teare, to demonstrate simple home-made equipment and electrical appliances to enable farmers to make as much use of electricity as possible in their food production efforts. . . . In addition, wiring of farm buildings and modern efficient farmstead lighting will be discussed at the five scheduled meetings. . . .

SAYS "CHEAP POWER" SOUTH'S BIGGEST ASSET (Chattanooga Times, February 23) -- The South's "greatest asset is cheap power", and before this area of the country today lies its greatest opportunity, J. A. Krug, vice-chairman of WPB, declared yesterday in an address to the conference of distributors of TVA power

W. E. Herring, chief of the Co-operatives' Operations Division of REA, discussing postwar requirements, said that present indications from reports and surveys show that "something like 500,000 miles of self-liquidating lines can easily be constructed after the war." But how soon these rural lines can be built depends upon the amount of money Congress grants for that purpose and the rapidity with which the work may be carried on.

Herring encouraged the managers of the co-operatives to start a promotional campaign among their subscribers as soon as electrical appliances are available to the markets again. . . .

IRRIGATION RELIEF OFFERED BY OWU (Journal of Commerce, New York, February 24) -- Acting to assure increased food production in areas dependent upon irrigation systems, the Office of War Utilities today provided for extensions of electric power to water pumps that serve to irrigate at least five acres of land each.

Under the terms of Order U-1-I, as amended, . . . an applicant must secure from his county agricultural conservation committee a certificate to the effect that he is eligible . . . and that in the opinion of the committee the connection requested will result in a substantial increase in food production. . . .

IN SUSPENSION (Successful Farming, February issue) -- The true state of the old farm program now is that it is in suspension. So many stories go about on the "junking" of the farm program that an examination of what is left seems justified. And that examination shows the only agency which has been abolished is the crop insurance agency. The Rural Electrification Administration, the FSA, the AAA, the Farm Credit Administration, and the rest of the great host of farm agencies still are in existence. They are operating with curtailed funds . . . and to get any of them going full speed again takes only a simple appropriation bill. Thirty-one agencies or bureaus are still listed as part of the Department of Agriculture, ready to take up where they left off.

FUTURE OF FARMING (USDA, February 19) -- Dr. Irving Langmuir, Associate Director of the General Electric Laboratories, brought up an interesting point about farming in his address before the third session of the Twelfth Herald Tribune Forum in New

York City last November. He spoke first of the tiring, tedious jobs on farms and cited fruit picking as an example. He then went on:

"I can conceive of an orchard operated entirely without workers in which fruit-bearing trees can be cared for and cultivated and the fruit picked by machines operated and controlled by electronic devices. . . ."

BROAD PLAN PROJECTED BY LABOR DEPARTMENT TO HELP STABILIZE POSTWAR EMPLOYMENT
(Journal of Commerce, New York, February 26) -- Labor Department experts have developed proposals looking to restoration after the war of a normal peacetime working force . . . Renewal of the techniques of stabilized employment which were partly developed during the depression, such as . . . extension of rural electrification . . . is also suggested. . . .

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ITEMS OF INTEREST TO THE REA STAFF

Light on Chicks -- Newsweek, February 28, -- Dr. Harvey C. Rentschler of the Westinghouse Research Laboratory, uses ultra-violet lamps to disinfect the air in poultry hatcheries, thus reducing chick deaths 68 per cent. Vitamin D producing wave lengths, produced at the same time by the lamps, have stepped up the growing time of young birds from eight weeks to five, saving the price of \$1 pounds feed.

NRECA Convention Set For Chicago March 20 -- Lewiston Tribune, Lewiston, Idaho, February 15.

Power Authority Row Ends -- Neither Arkansas Public Utilities Commission Nor FPC Wins or Loses in Protracted Contest. -- Dick Allen in Memphis Commercial Appeal, February 20.

Farm Credit Head Out; Wickard Hit. -- Star-Times, March 2.

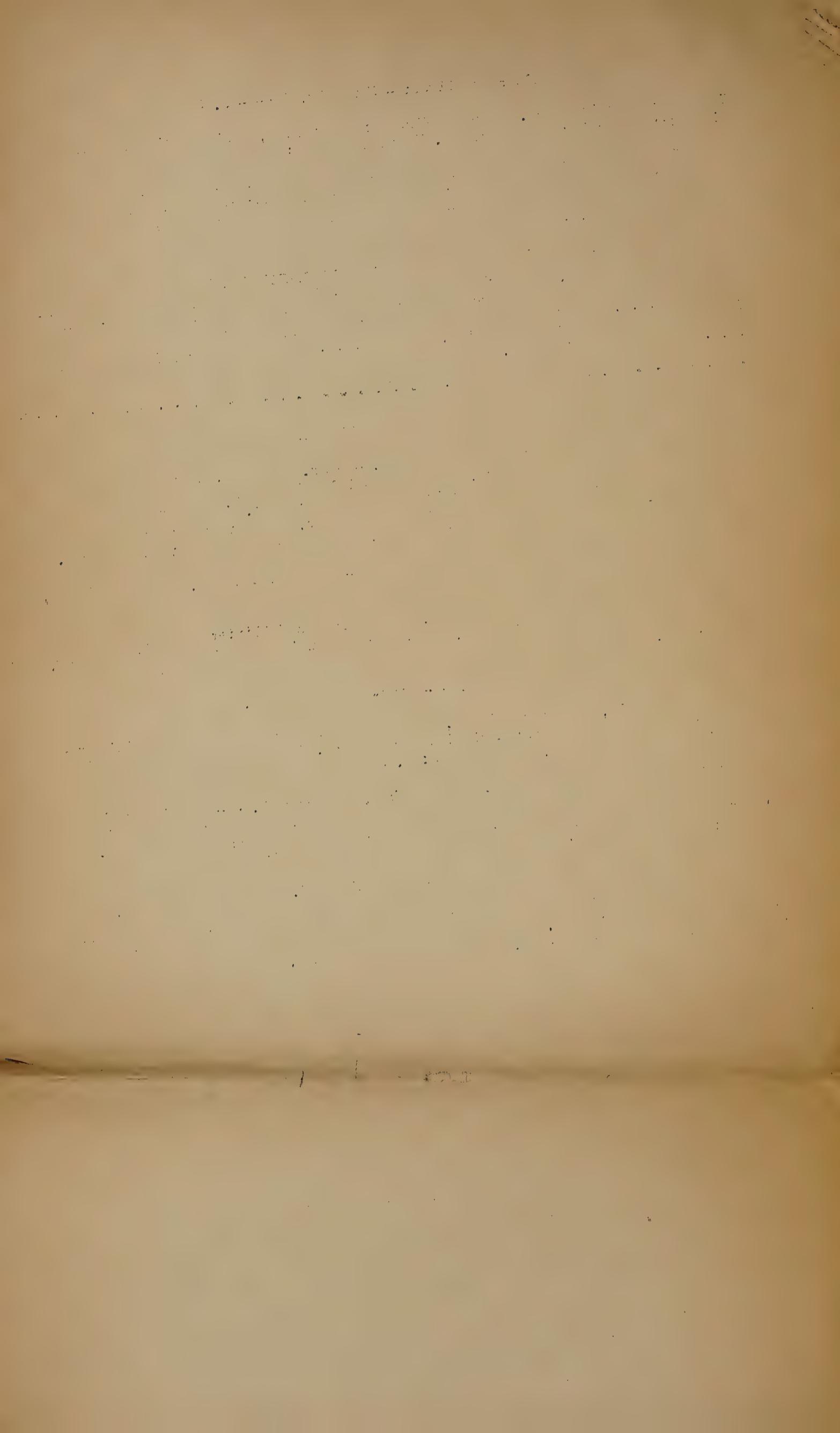
Murray D. Lincoln, Ohio farm bigwig, has been asked to reconsider an Administration offer to become Assistant Agriculture Secretary. He has turned down the job three times. (Jerry Kluttz, Washington Post, March 2)

Rural Electric Parley Is Called. -- Fresno Bee, February 22. -- California Committee on the Relationship of Electricity to Agriculture to hold one of a series of rural electrical conferences. Pacific Gas and Electric Company executives to preside; speakers from U. of California division of agricultural engineering.

REA's Technical Standards Division -- USDA, March 4.

Since the February 29 issue of the Press Digest, nearly 100 papers and magazines have published news stories, editorials, and columns on the Senate sub-committee investigation of REA and on Rep. Boren's criticism of REA.





REA PRESS DIGEST

Information Division

Fri., March 31, 1944

RURAL SALES SEEN IN ELECTRIFICATION (Chicago AP story in New York Times, March 22) -- Postwar expansion of rural electrification can provide 2,227,000,000 man-hours of work and market \$3,500,000,000 in goods and services, William J. Neal, deputy administrator of the Rural Electrification Administration, said here today.

"There are as yet unserved by electricity, according to recent figures, 7,151,188 farm and rural homes," Mr. Neal told the annual meeting of the National Rural Electric Co-operative Association.

"In addition to the 2,500,000 farms in America now receiving central station service, available data indicate that there are more than 5,000,000 farms and rural non-farm residences and other establishments, nearly all located within the potential reach of REA-financed systems."

Mr. Neal estimated that, to reach 5,000,000 new members, new electric lines and services would cost \$1,600,000,000 and that the value of wiring and plumbing and electrical farm production equipment and other appliances that these consumers would buy would amount to \$1,924,000,000.

He said postwar construction of additional lines would achieve a two-fold purpose: it would provide the basis for a more profitable agriculture and richer rural living and there would be an opportunity for profitable private employment of returned soldiers...

E. J. Stoneman of Platteville, Wis., was elected president of the association to succeed Steve C. Tate of Tate, Ga. . . .

HOUSE DEFEATS AMENDMENTS TO CURTAIL REA OPERATIONS (Washington AP story in Post-Dispatch, March 25) -- The House, defeating amendments to curtail the operations of the Rural Electrification Administration, and to lift the bar against political activity by Agriculture Department employees, passed yesterday a \$567,995,779 bill to finance the Department in the fiscal year beginning July 1. . . .

A BUILDING BOOM ON THE FARMS (editorial, Watertown, N. Y., Times, March 17) -- The biggest farm building boom in history will follow the war, in the opinion of construction engineers and farm experts. . . . There will be a remarkable extension in rural electrification. It will be a rare farm that does not have modern plumbing. The boom will start the minute the restrictions are lifted on manpower and materials. . . .

ASK RURAL ELECTRIFICATION MAJOR POST-WAR PROJECT (Capital Times, Madison, Wis., March 29) -- Appeals to make rural electrification a major project after the war, high praise for the Capital Times and its editor, and a warning against monopoly highlighted the evening session of the Wisconsin Electric Co-operative 8th annual meeting Tuesday night. . . .

William J. Neal, deputy administrator of the Rural Electrification Administration, declared Tuesday night that 5,000,000 farms are close-to existing electric lines and that directly and indirectly an REA program to reach them would provide a market for goods and services of about $3\frac{1}{2}$ billion dollars, with little government assistance, on a completely self-liquidating basis. . . .

"The greatest weapon in the hands of the American people against monopoly," said William T. Evjue, editor of The Times, "is first, public ownership, and second, the co-operative movement. . . ."

Other speakers included E. J. Stoneman, president of the National Rural Electric Co-operative Association, and Allyn A. Walters, head of REA's Information Division. . . .

"MUST HAVE THE ELECTRIC" (excerpt from The Farm Column, Fortune Magazine, March) -- For many years enthusiasts have insisted that someday nation-wide electrification would change U. S. agriculture as radically as the tractor has changed it. Back in 1935 when only 10.9% of all farms had electric service, that notion was popularly disbelieved. By 1940 when 30.4% of all farms had been electrified, resulting in stepped up production, more cash in the owners' pockets, and a patently higher standard of living, the idea did not seem so vaporous. The latest report is even more promising; the Rural Electrification Administration shows 40.3% of all farms electrified as of June, 1943, despite war difficulties. . . .

What rural electrification can mean to economic health is demonstrated by the experience of Gilmer, Texas. . . . In 1930 about five-sixths of the 4,000 farms in the county had cash incomes below \$500 (national average was \$1434). Only 15% of the Upshur farms depended on anything but cotton for an income, and the farmers were under the constant threat of bankruptcy if their single major crop failed. There were a scant sixteen dairy farms, four poultry farms. Only twenty-eight farms had central station service and twelve had farm-run plants. . . .

The local people, facing a future of the Joads, got together to try to lift themselves by their bootstraps. First they instituted diversified farming and turned away forever from "cotton up to the cabin door." Next they started a rural electrification project. . . .

The results were phenomenal. Today Upshur has a community canning center where in 38 days 212 families put up 14,261 containers of fruits and vegetables worth \$2500 cash and 146,710 ration points. The center is in year-round use. . . . The co-operative has its own building which is also the community center. . . .

So far the fears that the community might be taking on more debt than it could handle have proved empty. The co-op has paid all its bills, paid all principal and interest due on its loans; and when its new headquarters building was dedicated in August, it paid REA an advance of \$30,000. . . . The 1943 production figures show that the estimated cash income per farm was between \$850 and \$1000.

This case history is duplicated in hundreds of communities where electrification has arrived; it does not embody all that is promised for the postwar world. . . .

THE REA PROVES ITS SOUNDNESS (editorial, Paducah, Ky., Sun Democrat, March 17) -- When it was first proposed several years ago that the Federal government make loans to farmers to enable them to build electric lines to their homes, the idea was regarded as unwise and financially unsound. . . .

The laugh has been turned the other way. The farmer-owned-and-managed co-operatives have not been dismal failures. The government has not lost money. Actually, loans obtained from the Rural Electrification Administration are being repaid at an amazing rate. . . .

The co-ops have repaid \$61,000,000 in principal and interest to REA although only \$46,000,000 has fallen due. In addition, they have invested \$5,000,000 in War Bonds and \$6,000,000 in local bank investments.

This splendid financial record has been made despite the fact that the war restricted extensions of REA lines. When these restrictions are removed there will be a great expansion of this service to rural people with new proof that REA is sound in theory and financial practice.

ELECTRICITY . . . THE NEW HIRED HAND (Administrator Slattery in READ Magazine, March issue) -- . . . Farmer Brown anticipates a day's work with more relish than he did two years ago. He can vividly remember the days before electric power came to the farm. Today, the farmer still works long hours to put tempting food on your table, but now that electricity has been put into overalls, the job is much easier.

Consider your daily bottle of milk. Behind each quart is the efficiency of the electric milking machine, a device that enables Farmer Brown and hundreds of thousands like him to milk more cows in less time. Behind it also is an electric cooler that keeps the bacteria count low and assures freshness. . . .

The percentage of electrified farms has increased substantially during the last eight years. In December, 1934, only about 10% of all farms had electric power. Today, more than 40% have been connected to the Nation's extending power lines. REA's financial assistance has helped electrify nearly a million farms. . . .

As an instance of what electric power can do, one kilowatt-hour, costing the farmer about five cents, will do any of the following jobs: run a milk cooler for twelve hours, milk from three to four dozen cows, or saw half a cord of wood.

The strength of electricity is limitless and the farmer, hardened by years of making both ends meet, is practical enough to know that no other servant will give him so much for so little. . . .

MR. VOLTS IS THEIR HIRED HAND (William J. Neal in Southern Agriculturist, April issue) -- Operating a 261-acre dairy farm and 45 head of livestock with only the aid of daughters and the part-time help of a tenant farmer sounds like a pretty big undertaking, but the Troy Skeltons of Decatur, Tennessee, are equal to the task now that they receive electricity from the Volunteer Electric Co-operative. . . . They have put electricity into overalls on this farm . . .

They ship milk from 26 cows to the Chattanooga market and have made application for an electric milker and also look forward to acquiring a refrigerator as one of their first postwar purchases.

Much of the grain for the Skelton livestock is grown right on their farm. . . .

This is but one of almost 700,000 Southern farms where electricity is being used to hasten the day of victory.

ELECTRIC PIG BROODERS INCREASE YIELDS (Dixon Merritt in The Agriculture Situation, EAA monthly, February) -- . . . The electric pig brooder is an almost silly simple thing. The wonder is that everybody had not thought of it before -- or, at least ever since there were electric lights. A few pieces of scrap lumber, an electric light bulb, and some sort of reflector put together in the corner of the hog-house or farrowing pen -- that is all there is to the electric pig brooder. . . .

REA and the Bureau of Animal Industry did some testing some time ago and . . . appeared to agree that by the use of the brooder the saved pig crop could be increased somewhere in the neighborhood of 10%. The Purdue Agricultural Experiment Station figures the percentage at 17.4 after extensive research. These latter figures may or may not be applicable to the country as a whole . . .

A very similar story of saving labor, feed, and equipment could be told of the electric chick brooder, . . . not quite so easily made but still well within the capabilities of the average farmer with saw and hammer . . .

THREE REA CO-OPS BID FOR PLANT (Columbus, Ohio, Citizen, March 12) -- South Central Rural Electric Co-operative, Inc. . . . with two other Ohio co-ops, entered a bid of \$2,010,000 for the Canal Winchester Ohio-Midland Power and Light Co., proposed sale of which to Joseph B. Wilson of Chicago was cancelled by an SEC ruling. Wilson's bid was \$1,855,000.

Following complaints of intravenors, including the South Central Co-operative, the SEC recommended that Associated Electric Co., owner of Ohio-Midland, state in their advertisement for bids that the Ohio-Midland securities are not offered for the purpose of distribution and that no bid will be accepted unless it includes satisfactory assurance that the securities will not be resold to the public.

South Central recently received an REA allotment of \$2,237,000, according to Manager Darwin Kindler. . . .

ONE-THIRD OF WYOMING FARMS NOW ELECTRIFIED (Casper Tribune-Herald, March 12) -- Labor-saving electrical power is helping to ease the burden of war-time food production on Wyoming farms and ranches and the program is scheduled for new expansion.

During the last fiscal year, 220 previously unelectrified farms were connected with rural power lines in the state, according to the records of the REA. At the end of the year the number of farms receiving service was estimated at 5100 or 34% of the states total. . . .

Most of the principal irrigated districts of the state are now served by power facilities. . . . Relatively few farmers fail to take advantage of the service and much work formerly done by hand is now performed by power units, including the operation of water pumps, feed grinders, silage elevators, milking machines, and many other machines and appliances. . . .

MERKEL LOCKER PLANT CONTRACTED (Abilene, Tex., Reporter News, March 10) -- Contract for the plant and equipment of the frozen food locker plant to be erected here by the Taylor Refrigeration Co-operative, Inc., with a membership of 320, was signed Tuesday at a meeting of the board of directors. . . .

Work is to start within five days after approval by REA . . . and completion is promised within 90 days from the day work starts. . . .

SHORTAGE OF MEN UPS USE OF ELECTRICITY (Lincoln, Nebr., Journal, March 16) -- The wartime manpower situation has given farm families on the lines of the REA-financed Stanton county rural public power district a greater appreciation of the value of electric power as an aid in food production, according to a survey just completed by the district. . . .

REA ALLOTS \$30,000 FOR LOANS TO CO-OPERATIVE (Globe-Democrat, March 22) -- Allotment of \$30,000 of REA funds as loans to Missouri and Illinois co-operatives to be used only in accordance with War Production Board authorizations, was announced here yesterday by REA Administrator Harry Slattery.

The West-Central Electric Co-operative of Higginsville, Mo., was allotted \$20,000 for extending electric service to 60 new farm consumers who have qualified on the basis of poultry, livestock and dairy production. The Illinois Electric Co-operative of Carthage, Ill., was allotted \$10,000 for construction of a branch locker plant at Colusa, Ill., by the Hancock Frozen Foods Co-operative. . . .

ELECTRIFICATION OF ALL FARMS SEEN AFTER WAR (Madison, Wis., Times, March 15) -- Electrification of all Wisconsin farms after the war would mean a \$70,000,000 investment in the state and an opportunity for Badger farmers to enjoy shorter and lighter working days, Joseph P. Schaenzer, St. Louis, said here Tuesday at the rural electrification short course in agricultural hall.

Schaenzer, rural electrification expert from the U. S. Department of Agriculture, told those enrolled for the course his estimate was based on the needs of approximately 100,000 rural establishments in the state as compared with costs of 106,000 Wisconsin farms which now have electrical service.

He said that other developments which farmers could expect in the postwar period were freezers, dial telephones, a kitchen model electrically-operated flour and cereal mill, a milk pasteurizer for the small milk dealer, and a portable air conditioner. . . .

Schaenzer warned that before postwar electrical equipment is ready for farm and rural patrons "a neutral testing and ranking agency for farm equipment must be established."

He declared that "the farmers must not be stung on new equipment which will be urgently needed after the war." . . .

ITEMS OF INTEREST TO THE REA STAFF

Electric Co-ops Hear REA Plans -- Pioneer Press, St. Paul, Minn., March 7. -- Deputy Neal addresses annual meeting of Minnesota Federated Electric Co-operative
(over)

Items of Interest (continued)

Power Line Extension Gets Approval From Government -- Salem, Ore., Journal, March 3.

The Small Farmer Seeks A Place in the Sun -- New York Times Magazine, March 12.

Picture of M. M. Samuels and Lee Moore at Winter Technical Meeting of American Institute of Electrical Engineers -- Electric Light and Power, March.

Three Illinois Farm Families To Receive REA Plaque Awards -- page of photographs in Illinois State Journal, Springfield, March 7.

First REA Award -- Dairy Digest, Borden Publication, March issue.

REA Awards Are Presented at Carlinville -- Springfield, Ill., Register, March 11.

\$2,500,000 Available for REA Program -- Great Falls, Mont., Tribune, March 15. -- Montana has \$2,500,000 currently available under REA allotments.

\$1,000,000 Rural Power Lines Slated -- Atlanta Journal, March 19. -- Georgia Power Co. prepares plans for expenditure of \$1,000,000 for 800 miles of rural electric lines to serve 3400 farm homes.

Postwar Use of Power Is Theme of 4-State Meet -- Joplin, Mo., Globe, March 19. -- Development and use of power from Grand River Dam and Norfork Dam now and after the war to be discussed at March 31 meeting of industrial and agricultural leaders in Springfield. Speakers to include REA Deputy Administrator W. J. Neal, Southwestern Power Administrator Douglas G. Wright, and SPA Industrial Manager William R. Kavanaugh.

FDR Aid Terms Courage Needed to Win Security -- Chicago Tribune, March 21. -- Eugene Casey speaks at NRECA convention in Chicago. President sends congratulatory message.

Jobs For 250,000 a Kansas Problem -- Topeka Journal, March 18. -- Electricity can be provided for 100,000 Kansas farms not now served, says Dr. Waldo Grimes of Kansas State College.

A Strong Program -- editorial, Columbia, S.C., State, March 20. -- Expanded rural electrification and cold storage facilities is one of platform planks adopted at meeting of South Carolina Bureau of Farm Federation.

4-H'ers Put Electricity to Work -- Clovis, N. M., News Journal, March 16.

Full Farm, Factory Production for Postwar Prosperity, Wickard Plan -- Madison, Wis., Times, March 19. -- Full production on the farm and in the factory for a postwar national prosperity was advocated by Secretary of Agriculture Wickard at conference attended by 400 representatives of organized labor, farmers and co-operatives. . . . Wickard declared that the success of the Rural Electrification Administration in assisting co-operatives to bring electricity to 1,000,000 American farmers is the reason the government ought to sponsor other co-operatives.

Farm Parley Maps 15-Point War Program -- Star-Times, March 27. -- Two points adopted by Farmers' War and Peace Conference in St. Louis yesterday are: "8. A true co-operative movement can and should be the answer to Fascism. Present laws under which these non-profit organizations are chartered and operate should be maintained. . . . 12. Adequate public rural housing program, rural education, power and telephone systems,"

Since the March 15 issue of the Press Digest, 37 newspapers have carried stories, editorials, and columns on the Senate sub-committee investigation of REA.



REA PRESS DIGEST

Information Division



Sat., April 15, 1944

BAN FOR NEW ELECTRIC FITTINGS (New York Herald-Tribune, April 8) -- The War Production Board today ordered further curtailment in the installation of new electric connections, both in city and rural areas. The action was necessitated by a shortage of "distribution transformers", which are produced by manufacturers now working at top speed to meet Army and Navy demands for radio and radar equipment. . . .

Rural extensions were restricted by setting a higher standard of productivity for farms seeking electric service. . . .

NEW INDUSTRIES TO BALANCE LIFE IN SMALL TOWNS (Post-Dispatch, complete edition, April 1) -- Survey of towns in Southern Missouri and Northern Arkansas indicate a promising field for factory decentralization, according to William R. Kavanaugh, industrial manager of the Southwestern Power Administration; speaking Friday at an industrial conference in Springfield, Mo., held under the auspices of the local Chamber of Commerce. . . . Other speakers included Deputy Administrator William J. Neal of the REA, and SPA Administrator Douglas G. Wright. . . .

"People engaged in business in towns and cities must never lose sight of the fact that their success is closely related to the success or lack of success enjoyed by the farmers in surrounding territory," Neal said.

"Therefore, as the progress of rural electrification enhances the farmer's ability to produce his goods profitably and enjoy a satisfying standard of living, the business opportunities of the man in town expand. It is equally true that, as low-cost power makes possible successful industrial development in towns and cities, the farmer is provided with a better local market for some of his products and the added security of an opportunity for jobs for members of his family in industry, should it become necessary to seek off-the-farm employment. . . .

"Electric power brings to most rural areas for the first time the chance to set up basic processing plants for farm products right near the source of production. It also permits the re-establishment on a modern, efficient basis of rural industries which generations ago had gravitated to large urban industrial centers distant from the rural areas. . . ."

ELECTRICITY - THE HANDY MAN ON THE FARM (editorial, Paducah, Ky., Sun-Democrat, March 29) -- The story of the T. P. Campbell family of Gleason, Tenn., tells of the many blessings that flow from the electrification of farm homes through the REA. The Campbells are winners of the 1943 Food Production Award offered by the REA to the family which makes an unusual showing in the production of food through the use of rural electric power.

The Campbells lost two farm hands to the armed forces but used electric power to replace them. Electricity pumped water and carried it through a pressure system to all buildings on the farm; it provided the heat for a 300-chick brooder, it lighted the home, the barns and yard for more effective work at night and on dark days in winter; it provided the power for a modern farm shop, and eased the household duties of Mrs. Campbell, giving her more time with her chickens and other chores on the farm.

Electricity is proving itself as the handy man on the farm. Without it there is a grave possibility that the wonderful record that our farm people have made in producing food to meet the war emergency might not have been made.

MONTICELLO MAN WINS FIRST REA AWARD IN GEORGIA (Harry Lee in Atlanta Constitution, April 2) -- . . . "Once an electric light shines in your face, you don't hardly forget it," said A. L. Faulkner of Monticello who will receive the first REA Food Production Award in the state of Georgia tomorrow morning. The presentation will be made by Noble Wrinkle, REA representative, and will be broadcast over WSB. . . .

Today Faulkner is operating his farm with one-half the hired help he had four years ago. He would need three more men in the dairy alone if it were not for the black wires. . . .

"We can handle milking with half the manpower we used before we had the milkers," Faulkner said. "If I had to depend on men, I couldn't get the job done. The Army took another one of my men just last week. I couldn't keep going if it weren't for the power." . . .

He was proud of his electric milk cooling system, where the milk runs over rollers filled with sub-zero chemical solution that keeps the milk cooled and clean. Before he put in the cooling system he used ice to cool the milk. The ice was expensive. "Then it didn't really keep it cold," he said. He was showing the big frigidaire chest that will hold 800 gallons of milk, the only one of its kind in this part of the country. . . .

On his 1500-acre farm he produces peaches, beef, eggs and milk for this war-hungry country with less manpower by intelligent utilization of the power in those black loops of wire along the highways. . . . (Similar story in Atlanta Journal, April 2).

REA UNITS SUPPLY POWER FOR NAVY, MARINE CAMPS (Wilmington Star and News, Wilmington, N. C., March 26) -- Three Eastern North Carolina REA units are providing power for Navy and Marine cantonments, a review of hearings before the House appropriations committee on the 1945 Department of Agriculture appropriation revealed in Washington today.

William J. Neal, deputy REA administrator, revealed in testimony before the committee that Camp Lejeune, the New River Marine Base; Bogue and Atlantic fields, comprising the Neuse River Marine Air Base, and the Beaufort naval air station are receiving electric service from the federally-financed rural power projects

Largest single REA service to the Navy in North Carolina is rendered by the Jones-Onslow co-operative to Camp Lejeune. Negotiations between the Navy Department and Jones-Onslow officials, whereby the former is seeking to purchase the plants and distribution system of the latter are now under way. . . .

The three North Carolina REA units are included in about 150 co-operatives rendering similar service to army and navy cantonments throughout the United States.

TO ELECTRIFY FARMS IN ST. CHARLES COUNTY (Post-Dispatch, complete edition, April 3) -- About sixty miles of the Cuivre River Electric Co-operative's rural electric lines in St. Charles county were put into service following a test Saturday afternoon. The lines will remain in service permanently unless repairs and adjustments are necessary to provide effective service; W. E. Longanecker, manager of the co-operative, said. . . .

The lines approved by WPA will serve 195 farm families. . . . The co-operative's application to the War Production Board for priorities on line materials stated that a careful survey of food production had been made on the farms to be served and that there is an average of 53.8 animal units for each mile to be completed. . . .

ELECTRIC BROODERS SAVED PIGS (Farm Journal, February) -- Electric pig brooders are rapidly establishing themselves as inexpensive but certain insurance against excessive baby pig losses during cold weather farrowing; also as welcome labor-savers during that critical first week or ten days in the life of the new litter.

The experience of George Hansen, Columbia, Washington, supports the foregoing statement. When the first call came for more meat, Hansen remodeled a poultry brooder house (insulated and draft-proof) into a dozen farrowing pens. Twelve pigs were farrowed by the first sow; only five survived, due to exposure and chilling. . . . To avoid further losses he built electric brooders in two of the pens. Pigs were then farrowed by six sows; only two pigs were lost. So convincing was this demonstration that he built a brooder in all the other pens. . . .

Where does the saving in labor come in? That's an easy question to answer. Litters that have the protection of a brooder do not require constant watching to prevent loss from chilling, or from the sow lying down on them. . . .

The USDA research center at Beltsville found that pigs having benefit of electric hovers averaged about 1.5 pounds heavier at weaning time than other pigs.

ITEMS OF INTEREST TO THE REA STAFF

Economic Poison Ivy -- Public Utilities Fortnightly, March 30 (by Herbert Corey) -- An attempt to inaugurate a new public utility in the form of a cold storage plant for the benefit of farmers in a small Virginia town has been blocked, says the author, by REA opposition because it started out to be a private enterprise.

In the Offing -- column in Washington News, March 25. -- REA Becoming Permanent. REA may emerge from its present tribulations an independent agency once more. The House has already approved legislation making it a permanent rather than temporary agency. Senate talks of accepting this and adding amendment to take it from Agriculture Department.

Will Cities Shrink? -- editorial, Topeka Journal, March 21. -- Writer foresees shrinkage on city property values because of many farm improvements, including rural electrification.

O'Brien Leads The Way -- Indiana Farmers Guide, April 1 -- Plaque award to Joseph O'Brien family of Linden, Indiana.

Rural Electrification -- Statement of Deputy Administrator Vincent D. Nicholson in Answer to Rep. Boren's Criticism of REA -- extension of remarks of Rep. John E. Rankin, Congressional Record, April 1.

The Tireless Farm Hand -- The Nation's Agriculture, April issue. -- Three recent REA Plaque Awards in Illinois.

Turkeyfied by Minnesotans who are members of REA Co-operatives, this Mitchell Medium Bomber is now ready to go into battle, the Minnesota Electric Co-operative has been informed. In a campaign last July and August, 36 local REA co-operative offices sold \$282,167.59 of Series E bonds to their members under a plan by which the plane would be named "Minnesota REA." With the money left over, a fighter plane will also be bought. (Photo and caption, St. Paul Pioneer Press & Dispatch, April 5.)

REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Information Division

Monday, May 1, 1944

LOW-COST ELECTRICITY ENVISIONED FOR FARMS (Louisville, Ky., Courier-Journal, April 18) -- A postwar world in which every farm and rural home has low-cost electric power was envisioned yesterday by REA Deputy Administrator William J. Neal, speaking at the monthly meeting of the Kentucky Rural Electrification Association.

Neal said, "This future is dependent on the assurance that farmers will continue to have the right to shape their economic destiny through democratic action, including the right to operate their farmer-owned and controlled electric system..."

Most rural line construction was done before the war, but "new and increased activities undertaken in 1943 in connection with the food production program account for construction of 19,343 miles of line to serve an additional 73,000 of the nation's farms," he said.

"It is estimated that the increased production of livestock and livestock products on these 73,000 newly connected farms amounted to approximately \$108,000,000," Neal said, "while the cost of labor and material represented an expenditure of \$21,430,000." . . .

He advocated extension of "self-help enterprises such as farmer-owned and controlled" electric cooperatives to help maintain postwar employment at a high level. Jobs will be provided by construction and manufacture of the needed materials and by making "for a more profitable agriculture and richer rural living," Neal declared. . . .

RAPID EXPANSION OF RURAL ELECTRIFICATION (Electrical World, April 15) -- One of the postwar markets that is slated for immediate attention is rural electrification. To make service available everywhere new lines will be needed, it is estimated to serve something in excess of a million and a half farms which at a density anywhere near two to a mile would mean between half and three-quarters of a billion dollars in new construction. Besides, there are some 400,000 farms within reach of existing lines which should be connected. . . .

Where a few years ago utilities were loath to expand their rural service into thinner territory because it wasn't paying out even in denser areas, now the policy seems to be to take the business anyway and find some way to make it pay. Had this more progressive policy been in force a few years ago the utilities might have been spared many of their present worries. . . .

CITIZENS ELECTRIC SALE TO LACLE DE CO-OP AUTHORIZED (UP story in Star-Times, April 28) -- The state Public Service Commission, over the vigorous objection of one member today authorized the sale of the Citizens Electric Company to the Laclede Electric Cooperative, provided the cooperative will accept commission jurisdiction of its operation. . . .

The purchase will be financed by REA which has agreed to lend the cooperative \$135,000 of which \$120,000 will be used for the purchase and \$15,000 for later rehabilitation and extension of the properties.

The majority opinion in the case declared: "The record herein discloses that the public will be benefited in many ways by the proposed acquisition" principally in lower rates to the electricity consumers. . . .

Dissenting commission member Wilson . . . declared that the sale would be detrimental to the public interest. . . . She said there was no convincing evidence there would be compliance with a provision of the law limiting to 10 per cent of its membership the number of persons other than members a cooperative may serve.

ELECTRIFICATION ADDS A HIRED HAND TO THOUSANDS OF MINNESOTA FARMS (George L. Peterson in Minneapolis Star-Journal, April 5) -- Up at Braham, Minn., the other day several hundred people gathered at a fire -- a premeditated blaze that drew cheers from the largely rural audience. It was an \$81,000 fire. PICK Cooperative Electric Association was burning a note 18 years before it was due, part of its \$600,000 obligation.

Many rural electrification projects over the nation are paying their debts far in advance, and what once looked like a dubious business, so far as profits were concerned, has turned out handsomely particularly in dairy and poultry areas where consumption is high.

Even more important has been the effect on the agricultural labor situation. Electrification has added an extra hired man to thousands of farms. . . .

A big postwar job is waiting. Harry Edmunds, president of the Minnesota Electrical Cooperative (an organization of the 48 energized REA groups in the state) has set up a five-year rural electrification program for Minnesota involving \$228,000,000. . . .

Prof. A. J. Schwantes, head of the department of electrical engineering at the University of Minnesota, has estimated that there are 120,000 farms in the state without a high line. He thinks it is likely that about 12,000 farms will be electrified annually in the first few years of peace. . . .

REA co-ops pay no federal tax. Under Minnesota law, they pay 10¢ a farm installation per year in lieu of state levies, and also pay regular assessments against their plants and other property within corporate limits. Private companies pay a tax on farm lines on 5 per cent of true and full valuation, amounting to about \$1 per farm. They also pay 3.3 per cent on all energy sold, a levy REA escapes. But REA leaders point out that municipal plants, under present interpretation of the constitution, have neither state nor federal tax.

The average farm user pays about \$5.50 a month for electricity. Of this \$1.50 goes toward liquidating REA loans. It has been estimated that an income of \$13 per month per mile of line is needed to take care of all charges, setting up a reserve, and paying off the loan in 25 years. . . .

Regardless of minor arguments everybody seems agreed that results of farm electrification have been all to the good. . . . Electricity has started an important revolution in farming, making it a far more productive and pleasant business.

REA CONTROVERSY TAKEN TO DISTRICT COURT (Electrical West, April) -- The district court of Bent County, Colorado, has been called upon to settle a controversy raised by the State Public Utilities Commission's mandate that Southeast Colorado Power Association, REA affiliate, shall relinquish territory on both sides of the Arkansas River (from a mile west of Holly to one mile west of Hasty) to the City of Lamar's municipally owned system. No time for the hearing has been set.

The situation brings into sharp focus the growing antagonism between REA and municipal plants. As conditions now exist, both electric systems serve the territory in dispute. In addition to the waste involved in paralleling services, the question of State PUC Authority to take jurisdiction enters into the equation.

The same legal technicality was in dispute in the recent Town of Cortez - Empire Electric decision from which resulted a PUC ruling that Empire Electric must amend its by-laws to include non-members; this was done.

BIG THINGS AHEAD IN QUICK-FREEZE (Ray Anderson in Farm Journal, May) -- A lot has been heard about quick-freeze but the whole story hasn't been told. . . . It's a bright picture. It promises: more dollars for many farmers by opening up new markets -- they may sell important amounts of frozen produce; changed food habits, better health; jobs for returning service men -- and older farm girls -- some of those jobs right on the farm; temporary headaches for the whole food industry while adjustments are being made; lightening of the farm housewife's task. . . . Farm women have always found markets for specialties of high quality, "fresh from the farm". . . . There are now approximately 250 of these women's community markets in which 8,000 women sold nearly a million dollars worth of produce last year, according to the Department of Agriculture. . . . There are now more than 5,200 locker plants with 1,800,000 patrons, 1,400,000 of them farmers.

ROOSEVELT AND THE SOUTH (editorial, Richmond, Va., Times-Dispatch, April 17) -- . . . An esteemed correspondent asks us why we said "Mr. Roosevelt has done much for the South" in our April 7th issue. We are only too happy to answer that Mr. Roosevelt has furthered the interests of the South in the following ways: . . .

. . . By setting up the Rural Electrification Administration, which has been another boon to the rural South, since it has provided many rural districts with electric power for the first time. Private companies frequently did not feel that it was worth their while to enter these areas, since the expense was considerable and the profit small. The lines were built by the Federal Government, but the current often is supplied by the private companies. Hundreds of thousands of southern farms have been electrified in this manner. . . .

POSTWAR PLANNING FOR AGRICULTURE (editorial, Globe-Democrat, April 18) -- Agriculture, like industry, will face many problems of reconversion after this war. In fact, there is a direct relationship between the two sets of problems, for what agriculture can do in the postwar period will depend in large measure upon productive employment in industry.

. At the request of the U. S. Department of Agriculture, the College of Agriculture at the University of Illinois has prepared a comprehensive study of the farmers' postwar problems and programs. The findings are based on conditions in Illinois but they are pertinent to agriculture's problems generally. . . . Phases of the study deal with . . . farm housing and electrification. . . .

STATE REA AIDS FOOD PRODUCTION (Raleigh, N. C., News & Observer, April 17) -- The establishment of the North Carolina Rural Electrification Authority which has led to the addition of 135,000 rural consumers of electricity since 1935, was brought about by a Federal housing survey.

This survey, conducted in 1935, in one group of its queries asked the rural family if it would like to have electricity and to what uses it would put the power should it become available.

D. S. Weaver, head of the Agricultural Engineering Department of the Experiment Station at State College, who is also one of the original members of the NCREA, points out that a recent survey shows these same rural customers using a little over twice as much electric current as their original answers indicated. . . .

PENNSYLVANIA CO-OP ACHIEVES GOAL (Towanda Daily Review, April 17) -- Five years ago the Sullivan County Rural Electric Co-operative was organized. . . Farmers had a paramount need for electricity and it was not long before many of the farms in the two counties the cooperative serves were electrified. . .

Studies indicated that at least three members per mile would be required to make the cooperative a self-liquidating venture. . . and the cooperative has just achieved that figure. . .

Activities of the cooperative during the past two years have been solely to bolster the agricultural war effort. . . It now serves 751 members with 250 miles of line.

IN AN EFFORT to make postwar rural electrification planning a reality, Puget Sound Power and Light Company will attempt to reach all families without electric service through newspaper advertisements incorporating a questionnaire. . . By obtaining up-to-date information on homes and farms still unserved, the company hopes to realize its goal of 100% electrification after the war (Electrical World, April).

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ITEMS OF INTEREST TO THE REA STAFF

Fulton Lewis to Speak -- Washington Star, April 10 -- Fulton Lewis, Jr., radio commentator, will address the Southern Maryland Electric Cooperative, Inc. at its annual meeting tonight.

Former Federal Workers Share Fortunes of War -- Jerry Klutts' "Federal Diary," Washington Post, April 15 -- Mentions Lieut. Ernest L. Rushmer, former REA staff member, who was fire control officer on the USS Hornet. Also notes that Robert Weber, another REA employee on military furlough, is a Sea Bee and his wife is a member of the WAC.

Indiana Ranks Third in Farms Receiving Electric Service -- Indianapolis News, April 11. -

McCord's Washington Record -- J. Lacey Reynolds in the Nashville Tennessean, April 9 -- Discusses among other things Rep. Jim Nance McCord's introduction of a bill to authorize REA to make loans to cooperatives that were organized before the REA Act was passed in 1936.

Bureaucracy Gone Berserk --- editorial, Waterbury, Conn., Democrat, April 11 -- Criticizes REA's "Excessive spending."

Rural Electrification is Fixture in Colquitt -- Moultrie Observer, Moultrie, Ga., March 29 (Fiftieth Anniversary Edition).

Keep TVA out of Politics -- letter by Marjorie Gilroy to editor of New York Times, April 20.

Receive National REA Award -- Dublin, Tex., Progress, April 21 -- Photo shows James Salisbury, Jr., presenting REA Food Production Plaque to the C. A. Ward family of Dublin.

War Power Aid of TVA Told -- Washington Post, April 18 -- Speech of Chairman David E. Lilienthal at U. S. Chamber of Commerce in Washington.

Electricity Eases Farm Manpower Shortage -- Lafayette, Ind., Journal & Courier, April 15.

Nicaragua Starts First Program of Rural Electrification -- New York Times, April 4.

Increase Use of Electricity -- Free Press, Mankato, Minn., April 4 -- Lyon-Lincoln Electric Cooperative completes survey of its 745 farm members, showing that electric power is being used as a definite aid in food production.

Power and Politics -- Time, April 3 -- Premier Adelard Godbout of Quebec introduces in legislature a bill to (1) create a five-man Hydroelectric Commission, thereby putting the Province in the power business; (2) expropriate by April 15 the \$210,000,000 Montreal Light, Heat and Power Cons. Financiers regarded the bill as a step toward nationalization of all Quebec's water power, which generates 53% of Canada's hydro-electricity.

Electricity on the Farm -- letter from "Farmer's Wife" to editor of Globe-Democrat, April 20.

How to Get REA Help -- letter from Administrator Slattery to editor of Globe-Democrat, April 25.

Electric Lines Bring New Life into Virginia's Northern Neck -- Washington Post, April 23) -- Resurgence of social and economic vitality accompanying rural electrification is subject of bulletin published by extension division of University of Virginia. Bulletin tells how RFA-financed Northern Neck Electric Cooperative contributed to transformation of once-depressed region.

Since the March 31 issue of the Press Digest, 23 clippings have been received on the Senate investigation of REA.

Lt. Carl Simon of the Air Corps was killed in action in the European theater on November 2, 1943, according to a War Department report just received. Lt. Simon was on military furlough from the Design and Construction Division.



A semi-monthly summary of press and radio items concerning REA.

Information Division

Monday, May 15, 1944

ARE POWER INTERESTS STILL UNCONVINCED? (Editorial in Louisville Courier-Journal, May 1) - . . . The importance of rural electrification was publicly recognized by both Presidents Hoover and Roosevelt; it was a factor in the insistence of the latter as Governor of New York on public control of the state's immense potential water power . . .

But utility holding corporations were controlled by financial interests more concerned about profits than about service. Prior to the TVA experiment and the REA, the cost of securing service was prohibitive except for those near cities who could afford it as a luxury. There are distinct advantages in connected lines for the interchange of power, but the heads of holding corporations will have to be taught, if they haven't already learned, that the price of the special privileges their subsidiaries enjoy is service and that public power never again will be turned over to them to exploit.

RURAL ELECTRICAL SHOW HERE PROPOSED (Post-Dispatch, May 12) - A nationwide exposition on rural electrification in St. Louis was suggested last night by Harry Slattery, Rural Electrification Administrator, at a dinner commemorating the ninth birthday of the REA.

Slattery told several hundred members of the REA staff who attended the affair at Hotel Chase that the planning of such an exposition should be part of their program for postwar expansion . . .

Need for postwar planning by the REA was emphasized in a message which President Roosevelt sent to the party:

"Although the direct needs of war have limited the release of materials for high-line construction," the President was quoted as having written, "I am pleased that power systems financed by REA loans were able to reach 55,000 new customers during 1943. REA will continue, I know, to serve wartime agriculture to the best of its ability. It must also be made ready to proceed most efficiently in the fulfillment of plans for the America of the future."

Former United States Senator George W. Norris of Nebraska predicted in a message . . . that the REA would continue its work until all American farms are electrified . . . (Similar stories appeared in the Star-Times and the Globe-Democrat, same date).

CHEAP FARM POWER APPEARS ASSURED FOR MANY IN ALABAMA (Birmingham News-Age-Herald, April 30) - Cheap electricity for many thousands more farms in Southeastern Alabama seemed certain Saturday when it was announced by Public Service Commissioner Gordon Persons that purchase of the electrical properties of the Alabama Water Service Company in nine counties by REA cooperatives and three Alabama municipalities for \$2,500,000 apparently was assured . . .

Commissioner Persons announced that Senator Lister Hill, who has been working to help provide this cheap electricity for more farm homes in the state, had received the following telegram from Harry Slattery, REA Administrator:

"With reference to the acquisitions that are being made from the Alabama Water Service Company in our previous talk, I want to send you this telegram to say that in view of my recent restudy of some of the reports, especially the engineering reports, when the papers are sent to me from Washington, I will sign the acquisition. . . ."

COMPLAINT AGAINST CO-OP TO BE HEARD (Little Rock, Ark., Gazette, April 20) - An indication that the State Utilities Commission is nearly finished with its investigation to determine an electric rate base for the Arkansas Power and Light Company was seen yesterday in an announcement that another hearing will open May 15.

That hearing will be on a complaint by the four major private companies of Arkansas that the Ark-La Electric Cooperative is operating as a "public utility" and should be brought under regulatory jurisdiction of the commission . . .

Three of the companies are members of the Southwest Power Pool, which furnishes about half the power for the Jones Mills aluminum plant on Lake Catherine. Remainder of the power is supplied by Ark-La, composed of Rural Electrification Administration's cooperatives . . .

Harry Lamberton, REA lawyer, will aid in defense of the complaint . . .

UTILITY AID HITS COMPETITION OF COOPERATIVES (Chicago AP Dispatch in New York Herald-Tribune, April 27) - Purcell L. Smith, President of Middle West Corporation, asserted in his annual report to stockholders today that some rural electric cooperatives receiving electrical energy from Middle West companies were using this energy to compete with the utility companies.

For the most part, the energy furnished to the cooperatives was resold by them "as contemplated by the rural electrification act, to farm customers not

previously having central station service," Smith said. But, he added, "there are cases, however, where the cooperatives, in direct violation of the rural electrification act, used this low-cost energy to compete with the utility companies for other customers located in the territory served by the companies."

Mr. Smith stated, "Some of the REA cooperatives are even building rural lines parallel to the companies' low-voltage transmission lines and competing with the companies for the business along these lines. Such action on the part of the cooperatives leads to duplication and waste of critical materials."

FEDERAL ECONOMISTS WANT SMALL INDUSTRIES SET UP IN RURAL AREAS (S. H. Scheibla in Wall Street Journal, April 22) - Farm country factories are the postwar goal of a busy, though nameless, inter-agency committee of Government officials. Headed by Dr. Mordecai Ezekiel, veteran New Deal idea man who is now economic adviser to Secretary of Agriculture Wickard, the group seeks to "industrialize" rural communities . . .

The Rural Electrification Administration, working with the Ezekiel group, expects its lines to feed a greatly expanded number of farm industries after the war, though by law its service is limited to communities of fewer than 1500 people . . . REA estimates that more than 10,000 small industries are already on its lines. Egg drying firms have sprung up in poultry sections, for instance, milk drying plants have been built in dairy sections.

Here is REA's official statement on the matter:

"We believe that the development of rural industry is one of the natural results of rural electrification and that no area will be enjoying the fullest benefit of modern farming without the existence of such industries as might be related to community activities. In fact it seems to be very logical to believe that rural industries will greatly increase the use of electricity on rural distribution systems, thereby tending to improve community prosperity.

"Where there is electricity at reasonable cost, small industries which are related to farm needs can thrive, and thus the people in the surrounding area will prosper. It becomes evident that such rural industries will thus contribute to the development and betterment of farm life on the very farms which are responsible for the existence of the industry. Very little imagination is required to visualize the expansion of rural lines into unserved communities because of the existence of need for electricity in industry."

NAVY TO BUY REA UNIT (Howard Suttle in Greensboro, N. C., News, April 23) - The Navy is expected, some time during May, to go into the public utility business through purchase of the electric generating and transmission system of the Jones-Onslow Electric Cooperative for a sum reported to approximate \$3,800,000.

WOULD EXTEND ELECTRICITY TO 60,000 FARMS (Little Rock Gazette, April 30) - A five-year electrification program if properly supported by all interested groups can be carried out to make electric service available to 60,000 more rural consumers in the state, the Rural Development Committee of the Arkansas Economic Council reported yesterday. . . .

The committee has conducted an extensive survey of postwar possibilities in the rural development field and has found that 6,200 miles of new rural lines can be built from 1944 through 1948.

CHOOSE 32 MUNICIPALITIES FOR RURAL ELECTRIFICATION (Manitoba Cooperator, May 1) - A total of 45 towns and villages within the limits of 32 rural municipalities in Manitoba have been chosen by the Manitoba Power Commission for its initial work on rural electrification extension following the war. The 32 municipalities in the survey are estimated to have 15,000 farm customers but it is not likely that more than 5,000 can be connected with electricity the first year the work is undertaken. . . . After a preliminary explanation of rural electrification policy by the Commission, the municipal councils will be expected to proceed with the survey almost entirely on a "self-help" basis." . . .

DELAWARE REA CHIEF FORESEES ELECTRICITY STILL IN INFANCY (Journal Every Eve, Wilmington, April 27) - "Electricity is still in its infancy," declared Robert Jefferson, Manager of the Delaware Rural Electric Association, addressing the Federalsburg Rotary Club . . . on postwar prospects.

"After the war we may expect to see some startling developments, particularly in electronics," said Mr. Jefferson. "We will have stoves that will cook a roast in a matter of minutes, household quick-freeze units and static-free radios. Telephone and electric service will both be over the same wire." . . .

ITEMS OF INTEREST TO THE STAFF

Warns Against Co-ops Financed by Government - Telephony, April issue - Reprints portions of Herbert Corey's article "Economic Poison Ivy" (Public Utilities Fortnightly), which warns telephone industry it "may be next to be festooned with the growth of Government subsidy of cooperatives."

Creation of Power Pool Explained - Little Rock Gazette, April 16.

State Co-ops Get \$2,087,000 Loans - Star-Times, May 4. (Similar stories in Globe-Democrat and complete edition of Post-Dispatch.)

If You Ask Me - Eleanor Roosevelt's page in Ladies' Home Journal, May - Mentions Rural Electrification Administration as one of accomplishments of Democratic Party, in answer to question: "What are the major differences between the Democratic and Republican Parties?"

Keep Politics Out of TVA - excerpt from David E. Lilienthal's book "TVA - Democracy on the March," Star-Times, May 2. (Also "TVA Demonstrates How Rivers Can Be Useful, Floodless", Sam J. Shelton's review of the book, Post-Dispatch, April 30.)

Habits of a Hog - syndicated editorial in Ashland, Ky., Independent, April 21 - Likens REA to a "hog seeking to root the private electric industry out of existence."

Allens and Keys Get Food Production Awards - Columbia, S. C., State, April 30.

REA Allots Missouri Cooperative \$114,000 - Washington AP Story in Globe-Democrat, May 9.

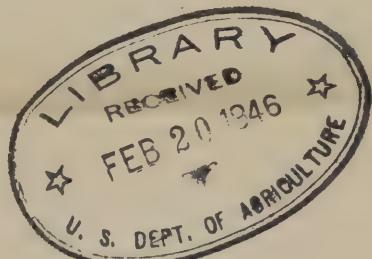
Farm Families Get REA Awards - Plaques Presented to Brown and Latta Families - Raleigh, N. C. News & Observer, April 21.

Flexible Budget Could Keep Men, Industries Busy, Analyst Says - Star-Times, April 26 - Alvin H. Hansen, Professor of Political Economy at Harvard, Mentions rural electrification as one means of distributing mass purchasing power throughout the country after the war.

Plan Homes on Land now in War Work - Des Moines Register, May 2. - USDA's postwar planning committee, under Raymond C. Smith, suggests (among other things) the transfer of trucks, jeeps, earth-moving equipment, hand tools and explosives to farmers and for use by the Rural Electrification Administration, forest service and soil conservation service.

Employees in the Services - Jerry Kluttz's column "The Federal Diary," Washington Post, May 6. "S/Sgt. William Riley is in the India-China Wing of the Air Transport Command. He has been awarded a presidential citation. Sgt. William Schifter of REA has been in England since May 1942. Lieut. Landy B. Altman of REA is in the South Pacific."

Since the April 30 issue of the Press Digest, 12 clippings have been received on the Senate Investigation of REA.



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REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.



Information Division

Wed., May 31, 1944

REA CO-OP BIRTHDAY (editorial, Hutchinson, Kansas, News-Herald, May 18) -- The Ark Valley Electric Cooperative Association, Inc., one of the largest REA units of the state, has just celebrated its fourth birthday

From the standpoint of the farmer-consumer, there can be little argument but that the REA set-up has been a boon

It is natural that any cooperative or government-sponsored movement should draw the disapproval of competing private concerns, and criticism is justified where government aid amounts to a public subsidy.

But rural electrification in the United States had proceeded at a snail's pace before the birth of the REA. The REA has shown it is economically practical to bring electric power to most of the nation's farm residents. The surface of the job has been merely scratched to date. When peace comes, the flickering, smoky kerosene lamp, symbolizing the burden of inconvenience and drudgery still carried by most of rural America for lack of electricity, must be driven to the museums. . . .

APPROPRIATIONS ARE INCREASED IN SENATE (AP dispatch in Globe-Democrat, May 17) -- . . . The Senate Appropriations Committee recommended doubling the \$20,000,000 appropriation for rural electrification loans. . . .

AGENCY PURPOSES GIVEN BY REA DEPUTY ADMINISTRATOR (Charlotte, N. C., News, May 18) -- William J. Neal, REA Deputy Administrator, warned the 70-odd North Carolinians attending the annual meeting of the North Carolina Rural Electrification Managers' Association to be on the alert against "the well-planned and well-financed campaign of propaganda being used by the monopolistic utility groups to maintain their control over this necessary service to the people."

Mr. Neal pointed out that the REA program aims at "bringing electric power to every farm home in America at low-cost non-discriminatory rates." After commending the state's Rural Electrification Authority for its "immeasurable assistance," he said "particular commendation is due the many public spirited citizens and state and county leaders who have incessantly worked to bring the blessings of electric power to more than 39,863 farmers now receiving electric service from 34 REA-financed systems in North Carolina."

Mr. Neal announced that the REA expects to promote a great postwar construction program for the dual purpose of extending the benefits of electricity to many thousands of additional rural homes and to provide immediate opportunity for profitable private employment for thousands of returned soldiers.

\$45,000,000 PLAN STUDIED BY RURAL ELECTRIC GROUP (Post-Dispatch, complete edition, May 24) -- A 45-million-dollar rural electrification program in Missouri, described as a possibility for the period immediately after the war, was studied today by the Missouri State Rural Electrification Association.

The program was outlined by Harry Slattery, head of REA, in an address read for him by Chester Lake, assistant to the REA Administrator.

The REA has drawn up a rural electrification plan embodying a 500-million-dollar Federal lending program, Slattery declared. Bearing in mind that less than one-fourth of the farms in Missouri are now electrified and that 300,000 farm and rural non-farm dwellings are still to be served, Missouri's share of this national program might equitably be placed at about \$22,500,000, which fund would bring electric power benefits to more than 65,000 rural consumers in Missouri, he said.

WHERE REA IS NEEDED (editorial, Rockford, Ill., Star, May 9) -- "Electrical World" in a recent statement estimated that postwar rural electrification should make electric power available as speedily as possible to a million and a half farms, with a reserve market of about 400,000 farms. These estimates are over and above the present lines serving the rural community. The magazine estimates the primary task, electrifying 1,500,000 farms, as involving \$750,000,000, with the added 400,000 farms, within reach of existing installations, possibly running the total to a cool billion

There would appear to be a market here that would require all that privately-owned and government-aided utilities, notably the Rural Electrification Administration, could do to take care of it, working together. If there are quarrels over priority and if there is duplication of lines, that situation will mean that full development of the agricultural market will come much more slowly. REA has from time to time accused privately owned utilities of skimming the cream, speeding transmission lines into populous areas that REA would like to have. REA may have to accept this natural development and take over the more thinly populated areas. Since it has government backing, it could the more readily provide this service.

Privately owned utilities, with large generating capacity, will inevitably be ready to expand rural transmission lines after the war, and unquestionably can provide more complete service for those areas than can the smaller REA generators. Yet those small REA plants would be godsend to areas lying far from major cities.

We never have quite seen the logic of REA's quarrel that the privately owned utilities were skimming the cream by exploiting the territory that would, if worked by REA, make it possible for REA to make a big showing. The government does not finance big irrigation projects for well-watered farm country; by the same logic it should help areas arid of electricity.

POWER PROJECTS IN FLOOD CONTROL PLAN STRESSED (Star-Times, May 24) - If plans for control of the Missouri River do not include hydro-electric development, "a fatal mistake" will be made, William J. Neal, deputy administrator of the Rural Electrification Administration, declared at a meeting of the Missouri State REA yesterday at the Mark Twain Hotel.

Development of the Missouri River Valley to enable it to make the greatest contribution to the agricultural and industrial wealth of the nation, and the economic security and social development of its people, requires that any plan devised shall provide for irrigation, navigation, flood control, and power development," he said. "Yet many people dismiss the latter point, on the ground there would be no market for it." . . .

PHONE SERVICE OVER POWER LINES ONE OF NEW POSSIBILITIES OF REA (Post-Dispatch, complete edition, May 25) - Electrical engineers of the future will make food production independent of climate and weather, M. M. Samuels, head of REA's Technical Standards Division, told members of the Missouri State Rural Electrification Association at the final session of their quarterly meeting yesterday.

Among other possibilities of electro-agriculture and rural electrification discussed by Samuels was commercial telephone service over electric power lines. He said that the telephone companies working with REA engineers now have this "practically ready" and that only the war prevents development at this time . . .

Portable room air conditioners, deep freeze chests for farm use, electric chicken-deboners, and television sets are to be expected on the postwar market, according to Samuels.

UTILITY PURCHASE BY NEOSHO REA CO-OP APPROVED (Post-Dispatch, complete edition, May 27) - - Overruling the protests of 11 utility companies, the Public Service Commission today authorized the New-Mac Electric Cooperative, Inc., of Neosho, to buy the electric system of the Missouri Southern Public Service Company of Rolla.

The purchase price of \$170,000 will be paid from an allotment to the cooperative by the Rural Electrification Administration.

The integration of the systems, the P. S. C. held, will benefit the public and "provide electric service for many rural people."

COURT AFFIRMS ORDER ON UTILITY PURCHASE (Post-Dispatch, May 14) - - An order by the Missouri Public Service Commission authorizing sale of the Missouri Electric Power Company, operating in 19 central and southern Missouri counties, to the Sho-Me Electric Cooperative at Columbia for \$2,466,000 was affirmed today by Cole County Circuit Court.

Circuit Judge Frank Hollingsworth of Mexico, sitting as special judge, overruled the appeal of 14 privately-owned public utility companies, which had opposed the sale before the commission and had appealed from the commission's approval of the transaction.

An ouster suit against the cooperative, charging it had exceeded its charter powers in purchasing the property, and that it was not authorized to acquire and operate a public utility, is pending in the Missouri Supreme Court. The suit was filed by Prosecuting Attorney M. J. Huffman of Wright County, on behalf of two customers of Missouri Electric Power.

SHIFT OF CONTROL TO MEMBERS IN RURAL ELECTRIC CO-OP ASSOCIATION (Post-Dispatch, complete edition, May 27) -- Liberalization of the by-laws of the National Rural Electric Cooperative Association this week is seen by representatives of Illinois, Arkansas and Missouri farm power associations as a move to restore harmony between conflicting groups within the rural electrification program. . . .

FIVE VERMONT UTILITY FIRMS PLAN DOWNWARD RATE REVISION (Rutland Herald, May 20) -- A new plan in the nature of a downward revision of minimum charges under which rural lines will be constructed has been filed with the Public Service Commission by five Vermont electric utility companies, it was announced today by Fletcher Plumley, chairman of the commission. . . .

Chairman Plumley stated that the Public Service Commission and the companies concur in the belief that the revised plan will be of considerable benefit to the farm and rural areas of Vermont, that it will further the cause of rural electrification in the state, and subject to removal of present necessary war restrictions will hasten the day when every Vermont farm which can be served economically will be using electricity for more profitable business and more comfortable living.

BILL TO GIVE REA PRIORITY ON ARMY GOODS AFTER WAR (Post-Dispatch, May 23) -- Non-profit organizations such as Rural Electrification Administration cooperatives would have priority over private business interests in purchase of war materials after hostilities end under terms of a measure to be presented to Congress within two weeks, the National Rural Electric Cooperative Association was informed here today. . . . The national meeting preceded a quarterly meeting of the Missouri State Rural Electrification Association at the Mark Twain Hotel. . . .

OFF-THE-RECORD (C. F. Byrns' column in Southwest American, Fort Smith, Ark., May 10) -- The rural development committee of the Arkansas Economic Council has recently completed a report on postwar electrification of farms in this state which seems to me most hopeful. . . . The program contemplates a five-year postwar program, spending \$10,431,000. . . .

Private power companies have been serving rural areas in increasing numbers for years. The REA program has stepped up rural service, since funds are made available on long-term low-interest loans to rural co-ops. Whatever the source, electricity is now a valuable aid on those farms which are served, and it can be to the thousands who have not yet had this advantage. Electrification is an important part of a better rural environment which we must have if we are to bring back and hold our lost rural population. . . .

PART OF THE NEW DEAL (editorial, Louisville Times, May 13) -- The Rural Electrification Administration statement that 3,500,000 farms still are without electricity is another way of saying about half the farms in the United States have electricity.

That is striking progress. Thirty years ago there was no means of procuring electricity for farms at prices which would interest farmers.

At that time a member of the staff of The Times wanted electricity on a farm about three-quarters of a mile from a utility line. He was told he could get the hook-up from . . . a utility . . . for about \$4,000. Farm business was not then sought by city services and there was no movement for general rural electrification. Nobody would have believed in 1914 that in 1944 half of the 7,000,000 farms of the United States would have current. . . .

A. P. & L. WOULD EXTEND LINES INTO REA TERRITORY (Little Rock Gazette, May 17) -- The Arkansas Power and Light Company applied to the state Utilities Commission yesterday for authority to extend its operations into an area previously allocated to the Farmers Electric Cooperative Corporation.

The application said the cooperative built into part of the area allocated to it but now "cannot build transmission lines into this territory without violating rules and regulations of the WPB." The company said it "can make secondary extensions to certain customers, under present orders of the War Production Board."

RURAL PROBLEMS (Electric Light and Power, May issue) -- Discussion of western rural electrification was a feature of the conference of the Northwest Electric Light and Power Association in Portland recently. Cecil Kirk of Montana Power Company outlined the problems facing companies which operate in sparsely settled areas. Only 22 per cent of the farms in Montana, it was pointed out, are supplied by either REA or power utility service. J. F. Emery, Idaho Power Company, stressed that rural customers should be given service equal to that given to customers in the city, with good voltage regulation, lines well constructed with proper conductors, and transformers large enough to carry any loads that might be added later.

ELECTRICITY HELPS LABOR SHORTAGE (Zanesville, Ohio, Times-Recorder, May 3) -- Electricity is the new chore boy on the farm. Since doing chores and processing products makes up half or more of the labor on many farms, electricity is fast losing its honeymoon role of bright lights and a few luxuries of living, and is buckling in as a regular member of the working crew.

Take milking for example. On the Myn E. Stocking farm at Walden, N. Y., the electric milker saved the herd last spring. Many farmers sold their cows when they lost the hired man. On the Stocking farm, one man takes care of 24 cows producing 160 quarts at a milking in about one and a half hours.

"If the milking had to be done by hand," Mr. Stocking remarked, "eight cows would be all we could take care of at the present time. The cost of operating the machine is about 20¢ a day and the labor saved in late evening maintains a tired man's morale after a hard day's work in the field."

RURAL ELECTRIFICATION (item in list of WPB changes, New York Times, May 16) -- WPB announced a change in the order affecting rural electric line construction designed to eliminate "certain hardships" resulting from an amendment on April 6 which cut back the rural construction program.

DENIES BILL IMPLIES STATE "TVA" (Utica, N. Y., Observer-Dispatch, May 21) -- Senator Aiken added that while he does not approve of the federal government going into the retail distribution of electricity, he is sympathetic to the Rural Electrification Administration which, he said, has done a great deal of good work in bringing electricity to millions of farms which private utilities felt they could not afford to serve. (From a letter to the Utica Chamber of Commerce, explaining his position on the Senate bill for development of the St. Lawrence seaway and its power resources).

***** ITEMS OF INTEREST TO THE STAFF

Propose Land Purchase for Iowa Indians -- Des Moines Register, May 5 -- Expansion of use of power obtained from Rural Electrification Administration lines is proposed by R. M. Nygaard, federal Indian field aid, for Sac and Fox Indian reservation, near Tama, Iowa.

Little Utility Sold to REA -- Union Bulletin, Walla Walla, Wash., May 7 -- Columbia County REA acquires Tucannon Electric Company of Starbuck.

REA Extended -- item in "In The Nation's Capital", Telephony, May 13 -- Explains provisions of Pace bill.

Electrifying Farms Checked -- Atlanta Constitution, May 16 -- Georgia Power Company announces that its proposed million-dollar program of rural electrification has been restricted by WPB regulations.

Don't Kiss the Distributor Good-Bye -- Tom F. Blackburn in Electrical Engineering, May -- Farmers with money and rural electrification are our two best postwar bets, says writer.

Farm Electrification -- letter by Administrator Slattery to editor of Electrical Merchandising, May issue -- Agrees that an extensive educational job must be done before the rural folk will take electrical equipment to their bosom as their city brothers have done, but believes that much of this education must be done on the dealers.

4,000 Served; Big Postwar Expansion Seen -- Bloomington, Ill., Pantagraph, May 16 -- Sets forth progress of Corn Belt Electric Cooperative.

FPC Postpones APL Hearing Indefinitely -- Arkansas Democrat, Little Rock, May 14.

FPC Chairman's Power Goal is Held Too High by Electric Industry Prophets -- New York Journal of Commerce, April 17.

Since the May 15 issue of the Press Digest, 31 clippings on the Senate investigation of REA have been received.

ITEMS OF INTEREST TO THE STAFF

Missouri River Potential Cited - - - Globe-Democrat, May 24.

6,000 Using REA in North Dakota - - - Fargo Forum, May 26.

REA Extensions would serve 1,650 More Minnesota Farmers - - Mankato Free Press, May 23.

\$500,000,000 Postwar REA Plan Outlined - - - Star-Times, May 24.

U. S. Plans Publicity to Discourage Expected Peace Migration to Land - - Wall Street Journal, May 26 - - Department of Agriculture is laying its strategy now to curb an expected "back to the land" scramble when the war is over.

100 Extensions of REA Service are Approved - - Mankato, Minn., Free Press, May 24 - For Blue Earth-Nicollet County Cooperative Electric Association.

Bridle Business Blooms from Boys Cat Skinning - - Atlanta Journal - - W. H. McClendon of Carroll County runs thriving harness business with electric motors operated by power from REA-financed Douglas County Electric Membership Corporation.

REA Loans Expected to Benefit 1,100 Farms - - Arkansas Democrat, Little Rock, June 1 - Loan to Craighead Rural Electric Cooperative Corporation will make electric service available to 400 more farms, bringing total number of farms to be served this year to 1100.

Miss Perkins Maps Postwar Economy - - New York Times, June 2 - - Secretary of Labor Frances Perkins, speaking at ILGWU convention, lists extension of rural electrification in her 18-point program for peace economy.

'Farm Journal' Sets Up Information Exchange - - Advertising Age, June 5 - - Bureau for collection and dissemination of information about electricity and its relationship to agriculture opened. Data to be made available to farmers, manufacturers, advertising agencies, wholesalers, farm electrical dealers, utilities, all REA cooperatives, agricultural schools, experimental stations, county agents and the press.

Utilities Studying Excess Capacity, New York Times, June 8.

Since the May 31 issue of the Digest, 31 clippings on the Senate investigation of REA have been received.

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Additional notes on the same subject

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REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Information Division

Thur., June 15, 1944

THE ELECTRIC FARM -- U. S. SEES \$5 BILLION POSTWAR MARKET IN WIRING AND APPLIANCES-- REA HAS \$200 MILLION READY (William Parker, Wall Street Journal, June 6) -- A \$5 billion demand for new farm electric appliances and for power lines to energize them, will be released at the end of the war, it is estimated by the Government . . . Of that amount, federal experts believe that \$1,625 million will have to be invested in generators, poles, transformers, conductors, engineering services and labor. The Rural Electrification Administration is all set to jump into this job on a big scale.

The agency has already approved and allotted \$100 million for new distribution systems. Plans for an additional \$100 million have nearly reached the approval stage . . . The total equals half the amount REA has spent in its nine years of existence . . .

REA estimates that within 18 months after the armistice a program to bring electricity to a million farms will be well under way. That's as many more consumers as it now serves . . .

Bringing electricity to a farm makes the farmer a potential customer for a variety of other items. A well-lighted room could encourage the farmer to read more. Consequently he is a better prospect for books and magazines. If he needs a new heating plant, he has electricity for an oil burner . . . The potential sales ramifications of rural electrification are almost endless, the Government thinks . . .

Another group of customers are the stores, churches, schools, and rural businesses that get power when electricity comes into a new area. The owner of the country store may want an electric sign, meat slicer, a computing cash register, a coffee grinder, and a refrigerating show case. Schools and many churches will want electric kitchen appliances, motion-picture projectors, public address systems and radios.

SAYS ELECTRIC CO-OP PLANNING BIG EXPANSION (Little Rock Gazette, Little Rock, Ark., May 25) -- Testimony concerning plans of the Ark-La Electric Cooperative to supply cheap power to rural cooperative members after the war was presented to the state Utilities Commission yesterday by four power companies seeking to have Ark-La brought under full commission control.

P. A. Lasley, Little Rock Lawyer representing the companies, made no attempt to prove, as alleged in the complaint, that Ark-La was selling electricity at a profit and in competition with the private companies to the Defense Plant Corporation, owner of the Jones Mill aluminum plant near Hot Springs.

Instead he introduced into the record through C. S. Lynch, Vice-President of Arkansas Power and Light Company, one of the complainants, exhibits seeking to show Ark-La intended postwar-competition under a plan to serve most of rural Arkansas southwest of a line extending from Benton County in the northwest to Arkansas county in the southeast . . .

Mr. Lasley . . charged that the Rural Electrification Administration, parent of Ark-La, "might come in here and hi-jack this department under some war or other emergency power." . . .

John A. Sherrill, attorney for Ark-La, declaring that Mr. Lasley's remarks "sound like a political speech," said the issue of competition with the power companies had been decided when the commission two years ago granted a permit to build the Grand River line (to Defense Plant Corporation's aluminum plant at Lake Catherine). The commission once rejected Ark-La's petition to build the line, then granted it after the War Production Board said it was necessary . . .

UTILITY MAN CALLS FOR "ENERGETIC AND LIBERAL PROGRAM OF RURAL ELECTRIFICATION" (from story "22% Reserve Noted in Electric Power", New York Times, June 7, describing EEI annual convention) -- . . . H. C. Thuerk, president of the New Jersey Power and Light Company and chairman of the institute's postwar planning committee, called for a "liberal and energetic rural electrification program" as one of the primary aims of the power industry.

"It is becoming increasingly clear," he said, "that within a very few years the bulk of our rural homes and farms will be electrified, either by us or by the Rural Electrification Administration cooperatives. It is up to the utilities to determine how much of this business they will have."

"Let me emphasize that the REA is pursuing a militant course, and we will need to push actively our rural electrification programs if we are to serve the prospective customers now in our areas."

BUSINESS MEN PRAISE WORK OF REA CO-OP (Post-Dispatch, complete edition, June 5) -- The work of the Crawford Electric Cooperative at Bourbon, which serves more than 700 rural consumers in the area, has been praised by business and professional men of Steelville, Missouri, for its wholesome effect upon community growth and prosperity.

The commendation was included in a statement addressed to members of the cooperative, which is managed by Fred Abbott. The business men cited the benefits of the rural electrification service to the present war food production program, and predicted that proposed projects of the organization would be of great benefit to farmers in the area in the postwar period . . .

MUST DO MORE, REA IS TOLD (Atlanta Constitution, May 26) -- Rural electric cooperatives through which some 65,000 farm families are now obtaining light and power must do more in the future than simply make the service available, if the statewide venture is to succeed and grow properly, in the opinion of leaders in this phase of Georgia life.

The point was made emphatically by speakers who yesterday addressed the meeting at the state capitol of the Georgia Electric Membership Corporation, made up of cooperative organizations federally assisted through the Rural Electrification Administration . . .

The special meeting, according to Walter Harrison, Vice President of the group, had been called to consider action on lowering rates charged the cooperatives by the Georgia Power Company and other utilities which furnish them power at wholesale, "and other encroachments on the cooperatives being made by the private companies." This latter phase concerned charges made that private companies had "skinned the cream" of consumers in the rural areas. . . .

Harrison said he would recommend appointment of a permanent committee to meet with power company officials at regular intervals to adjust and, insofar as possible, prevent any misunderstandings which might keep both organizations from working in harmony toward the general improvement and progress of Georgia . . .

(Similar story: "REA Seeks Closer Tie With Utilities," Atlanta Journal, May 26)

REA PROGRESS (editorial, Atlanta Journal, May 26) -- Lower-cost power to Georgia's rural electrification systems, as pledged by Chairman Walter McDonald of the Public Service Commission, will prove a healthy stimulus to those already thriving cooperative organizations. It will enable them, in these times of general farm prosperity, to step up their amortization of overhanging debt to a beneficial government. The sooner the corporations pay back the Treasury money advanced to them, the stronger will be their sense of independence and the more effective will be their requirement of good management . . .

Most of them have had superb management and . . . as a whole, they have made financial records to be proud of. Lower price for the power they buy will more strongly entrench them in solvency against harder times.

RURAL POWER LINE TO OPEN TOMORROW (Utica Daily Press, June 2) -- After a brief ceremony, a switch will be thrown open at 10 tomorrow morning in a building on the Ross Clark farm near Eaton and electric current will go surging through nearly 20 miles of lines of the Oneida-Madison Electric Cooperative for the first time.

Opening of that portion of the cooperative's lines will bring electricity to about 60 farms which never before have had that modern convenience and will mark the first completion of work on any section of the lines which the cooperative began stringing late last fall . . .

Participating in the ceremony will be Allan Arness, field representative for the Rural Electrification Administration . . .

ELECTRIC RATES CUT (Albany AP story in New York Times, June 8) -- Reduction of electric rates by the New York State Electric and Gas Corporation, estimated to save customers \$224,200 annually, was announced today by the Public Service Commission . . .

HERE'S LIGHT FOR NEW MEXICO (from "Farm War News," Clovis (N.M.) News Journal, May 25) -- Electric power lines financed by federal loans now bring electricity to more than 2,500 rural consumers in New Mexico.

Only 1300 New Mexico farms had central station electric service on May 11, 1935, when President Roosevelt established the Rural Electrification Administration by executive order. Now as REA enters its tenth year, 6400 farms . . . are electrified. . . .

RURAL ELECTRIFICATION (editorial, Springfield, Mass., News, May 18) -- Modern methods in agriculture have made it almost a necessity to have electric light and power, and with that in view the Rural Electrification Administration is planning to extend its field of operations . . .

Many of the 3,500,000 unelectrified farms are in remote sections of Western Massachusetts, northern Connecticut and in Maine, New Hampshire and Vermont . . .

DOES FARM ELECTRIFICATION AID THE WAR EFFORT? (excerpt from a broadcast, KSOU, Sioux Falls, S. D., June 1) -- . . . Will electrifying farms now aid in the war effort? There is no argument possible there. Name any appliance you want to, and you'll see that it is a time - and labor-saving device, and that's what we are after: to save time, to do more especially now when the labor problem is serious. Back in the good old days a farmer used to say that he worked from daylight to dark as soon as spring's work began. Now, when everyone is working overtime, the farmer finds that he too can do his chores and repairing after dark because of the fact that he has electricity in his barn and yard . . .

REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Information Division

Fri., June 30, 1944

HOUSE APPROVES REA LOAN FUND (Washington AP dispatch, Post-Dispatch, June 21) -- . . . The House today accepted the Senate's amendment giving the Rural Electrification Administration power to borrow \$40,000,000 from the Reconstruction Finance Corporation. This was double the amount the House originally had appropriated direct to REA. (Similar story, Wash. Post, June 21.) (Note: This story was not correct. The approved loan fund for 1945 is \$25,000,000, from Reconstruction Finance Corporation.)

\$562,145,918 FARM SUPPLY BILL PASSED (Washington AP dispatch in Globe-Democrat, June 23) -- House acceptance of a modified ban against political activity by Agriculture Department employees sent to the White House today the \$562,145,918 agriculture supply bill for the fiscal year starting July 1.

As worked out by a Senate - House conference committee, the political action clause prohibits use of any funds for the salaries of employees who violate the Hatch anti-politics act or the statute prohibiting legislative activity, such as lobbying, by Government workers, while on government time. . .

REA UNITS OPPOSE BID BY UTILITY (Louisville Courier-Journal, June 24) -- Expansion of four rural electrification farmer cooperatives in Eastern Kentucky will be endangered if an application now pending before the Kentucky Public Service Commission is granted, managers of the four cooperatives told a special session of REA managers here yesterday.

Referring to the application filed by the Kentucky & West Virginia Power Co. to construct 1,100 miles of line in the vicinity of West Liberty, Prestonsburg, Flemingsburg and Pineville, they stated the application includes several hundred miles of line for which their cooperatives previously have been granted certificates, but which expired when construction became impossible because of the war. The cooperatives have until July 15 to file information concerning membership, financial condition, maps and proposed lines with the Public Service Commission. . .

Principal speaker at the session was W. E. Herring, chief of REA's Cooperatives' Operations Division. Mrs. Elva Bohannan, REA home economist, presented a demonstration on dehydrated foods.

W. L. Sturtevant, REA regional officer, told the group funds are accumulating for postwar expansion of REA. A "stop-order" on funds given local cooperatives for construction before the war by the national REA organization assures that these funds will be available when the war is over, he said.

RESIDENTS OPPOSE CO-OP EXPANSION OVER BORDER (Electrical World, June 17) -- Extension of the holdings of a southern Oregon REA cooperative into northern California was sought in a recent effort of Coos Electric Cooperative, Inc., to purchase the Crescent City, Calif., water and power properties of Public Utilities California Corp. for \$245,000.

Efforts of residents of Del Norte County, in which Crescent City is situated, to block the proposed transaction by forming a county-wide public utilities district and purchasing the properties for their own use, failed at a recent election by a narrow margin. . .

THEY WERE ELECTRIFIED (W. E. Herring in Southern Agriculturist, July) -- The twice-a-day task of milking 35 cows becomes more than just a chore when you pass the half century mark. It becomes a drudgery. So Sunday, May 16, 1943, when their electric milking machine was installed, looms as a red-letter day in the lives of

Mr. and Mrs. Walter P. Cheney of LaVergne, Tennessee.

"This is our son's farm," Mr. Cheney explains. "Charles is in the Army now. . . and Ma and I came out here to keep the farm running so that he has something to come home to. And to do our part to help our country too, I expect." . . .

At the present time the Cheneys are averaging 10,000 pounds of milk a month from their herd. The milk goes to the nearby bomber airbase.

Putting electricity into overalls is more than a labor-saver that has enabled the Cheneys to continue with their 35-cow herd. They'll tell you that it's a dollar-saver too. . . . The Cheneys are members of the Middle Tenn. Elec. Memb. Corp. .

ILLINOIS FARMING IN WARTIME (extension of remarks of Senator Lucas, Illinois, Congressional Record, June 22) -- Electric power on farms played a significant part in our record war production. From the time the Rural Electrification Administration was created in 1935 until the end of 1943, more than \$480,000,000 in loans were made to provide electric power to American farmers, and \$22,000,000 for the State of Illinois. Most of these loans were made to farmer cooperatives. . . At the end of 1943 borrowers were more than \$15,000,000 ahead of schedule in paying their loans for the United States and \$1,252,000 for Illinois.

During the period 1935 through 1943 the proportion of farms having electric service jumped from 10.4 per cent to 40.4 per cent for the United States and from 12.3 per cent to 52.9 per cent for Illinois . . .

RURAL RATES LOWERED (editorial, Burlington, Vt., Free Press) -- Commendation is due whoever is responsible for the plan which has been worked out whereby charges for rural electric service furnished by five of the larger Vermont electric utility companies will be reduced quite materially. . . . It must be admitted that the private companies are making a real effort to get their rates down where they will be attractive to farmers in areas not already served by electric lines. . .

A MILLION-DOLLAR REDUCTION IN ELECTRIC RATES (Georgia Power Co. advertisement, Macon Telegraph, June 7, and other papers) -- Reduction in the electric rates of the Georgia Power Company which will save more than a million dollars a year for REA rural electric cooperatives, municipalities and business firms went into effect June 1.

Thirty-two rural cooperatives buy their power from the Georgia Power Co. and resell it to their own members. The rate reductions will save about \$45,000 a year, or ten per cent of the amount they are now paying for electric power. The average price per kilowatt hour to the cooperatives will be reduced to the low figure of 8 mills. Another important step in the widespread use of electric service on Georgia's farms.

ELECTRICITY AND FARMS (editorial, Lancaster, Penn., Intelligencer Journal, June 10) -- A government survey estimates that in the postwar period the demand for new farm electric appliances and for power lines to serve farms will amount to five billion dollars.

Farmers as a rule, the survey says, are wisely salting away most of their surplus income -- total farm income this year is estimated at \$22 billion, an all-time record; and part of this will be spent in buying electric milking machines, electrified fences, television sets and a host of time-saving equipment in the house and around the farm.

The survey reveals, however, that six farms out of every ten, more than half, have no electrical appliances at all for the simple reason that they have no electricity available.

This is a challenge to the private public utility concerns of the nation to spread abroad their facilities wherever feasible in rural sections. The Rural Electrification Administration is reported planning to spend over a billion dollars in extension of power lines after the war. We are old fashioned enough to believe

that industry, not a federal agency, should take the initiative in this power expansion program.

FARM MARKET (Wichita Eagle, June 13) -- Manufacturers who anticipate a tremendous market for household appliances when the war is over have their eyes on the farms as well as urban centers. . . .

Manufacturers are taking the position the man on the farm wants and is entitled to the same conveniences now enjoyed by his city brother. Electricity is the basis of these conveniences. In order to enjoy them the farmer will spend billions in the years immediately after the end of the war.

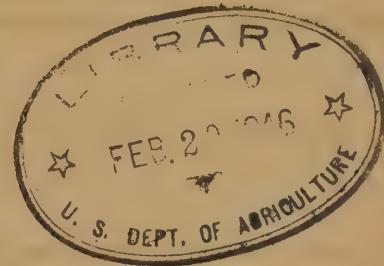
ASKS POWER BILL CHANGED (Journal & Star, Lincoln, Nebr., June 11) -- Recommendations were made by C. A. Sorensen, legal counsel for 11 rural public power districts, that the next session of the legislature make two changes in present power legislation which he believes will be beneficial to the districts.

Sorensen asked that the present law be changed in such a way as to permit rural public power districts to merge with one another or to buy property from each other.

He made his recommendations to the legislative council's subcommittee on power which closed a two-day hearing here Saturday. . . .

FARM'S AND ELECTRICITY (Indiana Farmers Guide, June 15) -- On May 11 rural electrification was nine years old in Indiana. Only 23,000 Indiana farms had central station electric service on May 11, 1935. Today more than 130,000 Indiana farms - 70% of all farms in the state -- are electrified. . . . Not a single dollar was delinquent on REA loan accounts in Indiana on April 1.

WAR BOND PRIZE CONTEST ON ELECTRICITY IN FOOD PRODUCTION IN FULL SWING (Utah Farmer, June 10) -- Prizes of \$50 to \$150 in War Bonds are being offered by the Utah Power and Light Company for the best letters telling "how our family is using electricity to help produce food for victory." . . .



ITEMS OF INTEREST TO REA STAFF

General Utility Rate Cut Trend to Avoid Excess Profits Tax Seen -- N Times, June 16.

Overtime Pay Urged for U. S. Workers -- Jerry Kluttz, Washington Post, States that President Roosevelt has described as "fundamentally sound" a recommendation that Federal workers be paid true time-and-a-half for overtime, boosting raise from 21% to 30%.

SEC Opens Hearings on Utility Plan to Sell to Cooperatives -- New York Herald-Tribune, June 13. -- Bid of \$2,115,000 by three Ohio co-ops for Ohio-Midland Light and Power Co. is accepted.

Friendly Porch Lights Signal Advent of Electricity in Tennessee Dwellings -- George L. Peterson in Minneapolis Star-Journal, June 14.

Mobile Power Plant Designed for Army -- New York Times, June 22 -- New electric-steam turbine package-type power plant with an output of 500 kilowatts described at meeting of American Society of Mechanical Engineers.

Utility Company to Spend \$500,000 for Rural Work -- Binghamton, N.Y., Sun., June 15. -- New York State Electric and Gas Corporation appropriates additional half million dollars for rural electric line construction in its territory this year.

Farm Food Freezers -- George A. Montgomery in Capper's Farmer, June issue -- Home units, big and little, are being readied for production by more than 20 manufacturers.

Way to Tap Farm Market -- Adapt Stuff to Local Uses -- Electrical Merchandising, June issue -- C. F. Wagner of Northern States Power Co. has gotten together an encyclopedia of rural electrical applications for which the market supplies nothing.

It Takes More than Price Appeal to Sell the Farmer Appliances -- Electrical Merchandising, June -- Utility's service must be dependable, the manufacturer must supply local repair facilities, and the farmstead must be adequately and safely wired.

Order Electric Rate Cut (Little Rock AP dispatch in New York Times, June 26) -- Arkansas Utilities Commission orders Arkansas Power and Light Co. to reduce its rates \$975,000 a year. C. Hamilton Moses, AP&L president, indicates his company will appeal to State courts.

Since the June 15 issue of The Press Digest, 36 clippings concerning the Senate investigation of REA have been received.

REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Information Division

Sat., July 15, 1944

REA CO-OPERATIVES UNDER FIRE (Missouri Farmer, July 1) One of the finest things to come from Congress has been the REA, which has financed 38 rural electric co-operatives in Missouri as well as numerous others throughout the Nation. In this issue of the Missouri Farmers, Ansel Moore, president of the Missouri State Rural Electrification Association, tells of the status of rural electrification in Missouri.

Only 25% of Missouri's farms have been electrified, Mr. Moore tells us.... There's an old saying that "Everything comes to him who waits." But this doesn't apply to electric power. FARMERS HAVE GOT TO GO AFTER IT. And then some. For powerful enemies are working tooth and toenail to keep the REA from financing more rural electric co-operatives....

REA is not giving any money away. Farmers simply borrow money at interest to finance these co-operatives, and, according to Ansel Moore, thus far they have paid back every cent of the principal as it came due, plus interest. Is it not a proper function of the government to help people do something they cannot do for themselves? Has not government aided private industry and big business time and again, the RFC's bailing business out of trouble being a notable example?

Yes, farmers will have to fight to keep the gains they have made in rural electrification. We'll have to fight to extend the benefits of electric power. We'll have to fight to protect and maintain REA, which has meant so much already to agriculture and can mean so much in the future.

REA LOANS EXCEED HALF BILLION MARK (Globe-Democrat, July 4) - - Acting Administrator William J. Neal of the Rural Electrification Administration yesterday authorized REA loans of \$1,222,500 to 27 borrowers in 17 states, bringing the all-time total past the \$500,000,000 mark.

The new loans, first of the fiscal year, will be used principally for line construction authorized under War Production Board regulations permitting connection to existing lines of farms qualifying for electric service on the basis of wartime food production capacity.... (A picture in the Star-Times, July 5, shows Mr. Neal signing the administrative orders for the allotments. A similar story appeared in the Post Dispatch complete edition, July 6 and in the Wall Street Journal and New York Journal of Commerce, July 5.)

CELEBRATE AS NEW POWER LINE IS ENERGIZED (Freeman's Journal, Cooperstown, N. Y., June 28) - - By the simple act of closing a switch Saturday afternoon at Oaksville, David Brown of Oneonta, president of the Otsego Electric Co-operative, placed the new farmer-owned electric service that brings electric power to 89 farms in Otsego county and Herkimer Township in Herkimer county in operation.

The all-day and evening celebration of the completion of this line which has been under construction for some time, started in the morning at Oaksville with more than 250 members of the co-operative and their families present....

The "March of Time" motion picture crews recorded parts of the energization and the dance that evening and took many pictures at the farms and homes of many co-operative members....

Honor guests included the Rev. W. E. Hubbard of the Hartwick Christian Church; Judge Roscoe Harper of Syracuse; Fred W. Loomis, co-op attorney; John Kissel, manager; State Senator Walter W. Stokes; Allyn A. Walters, chief of REA's Information Division and C. W. Ripley of the General Electric Company....

CO-OP EXPANSION TOLD AT MINNESOTA STATEWIDE MEETING (St. Paul Pioneer Press, June 26) - - A million farm families in the United States are getting electricity through their own co-operative systems under the Rural Electrification Administration plan, William J. Neal, deputy administrator of REA, told members of Minnesota co-operatives at Willmar Sunday....

Speaking at a mortgage-burning celebration of the Kandiyohi Electric Co-operative, Neal declared that five major problems confront REA co-operative boards in the postwar world.

They are: building a well-informed, active and loyal leadership; maintaining democratic representation and control in the face of continuous physical expansion; building and maintaining good community relations with all groups advancing rural living; providing dependable electric service on a complete area coverage basis; and providing instructive leadership for co-operatives.

SLATTERY SEES ELECTRIFICATION GREAT FARM AID (Columbia, S. C., State, June 25) - - Harry Slattery, REA administrator, in Columbia to receive an honorary degree from the University of South Carolina today, said yesterday his organization already has a blueprint of plans for the postwar era. He expects electrification of farms, the consequent labor-saving and freezing of fruits and vegetables that will be possible with power lines in the rural areas to revolutionize country life.

The administrator expects the great expansion in electrification after the war to provide jobs for many of the returned soldiers, particularly those with engineering training. He expects a tremendous market for refrigerators, electrically-driven pumps, cold storage facilities and other such supplies to follow this expansion

REA LOAN FUNDS FIXED (Electrical World, June 24) - - The Agriculture Appropriation bill was still to be dealt with finally early this week but its main point of interest to the power industry - - the appropriation of loan funds for the Rural Electrification Administration - - had been settled by a compromise - setting the sum at \$25,000,000. Chairman Clarence Cannon ... told the House that he was "sure" that if the material situation improved sufficiently to require more loan funds for REA, a deficiency appropriation would be approved. Rep. John E. Rankin ... told the House that REA has \$100,000,000 worth of applications pending... The Pace Bill, extending the life of REA indefinitely, remained in conference, without dispute on its provisions affecting REA.

CO-OP AT NEOSHO ALLOWED TO BUY ROLLA ELECTRIC CO. (Jefferson City UP dispatch in Star-Times, June 28) - - The Public Service Commission yesterday finally authorized the sale of the Southern Public Service Co. of Rolla to the New-Mac Electric Co-operative, Inc., of Neosho for \$170,000.

The commission previously had approved the sale on the condition the co-operative would re-organize under provisions of state law.

SALE OF UTILITY TO FARM POWER GROUP BEFORE SEC (Philadelphia item in Post-Dispatch, July 10) - - The sale of Missouri Southern Public Service Company's physical assets to New-Mac Electric Co-operative, Inc., Neosho, Mo., for a base price of \$170,000 will be considered at a reconvened hearing July 21, the Securities and Exchange Commission announced today.

Missouri Southern is a subsidiary of Associated Electric Co.

GOVERNOR STRESSES NEED FOR "JUST PEACE" (Grand Forks, N.D., Herald, June 18) - - A tremendous obligation rests on our nation to take every precaution to see that a just peace is made ... Governor John Moses of North Dakota said Saturday at the annual meeting of the Nodak Rural Electric Co-operative, Inc..... The government should undertake development of some projects as, for example, rural electrification and the Missouri river basin project now being discussed in Congress, he said....

MINNESOTA FAMILIES GIVEN REA AWARDS (Minneapolis Tribune, June 23) - - Two Minnesota farm families are among 60 that have received the Rural Electrification Administration's food production award "for distinguished service in production of the nation's food through the use of electric power." They are John Larson of Bixby and A. R. Peterson of Litchfield.

REA GIVES SUMMARY OF AWARDS IN NORTH CAROLINA (Durham Herald, June 26) - - Six North Carolina farms have been given special awards "for distinguished war service in the production of the nation's food through the use of electric power" by Rural Electrification Administrator Harry Slattery, announces David S. Weaver, head of the Agricultural Engineering Department at State College....

Sixty farms in the nation have received the award. Twenty-four of the award-winning farm families said that electric power had enabled them to maintain or increase food production in spite of the loss of the services of 13 sons and 28 hired men who were in the armed services or working in war plants....

RURAL ELECTRIC DEMANDS (St. Paul Pioneer Press, June 29) - - Rural electrification programs calling for expenditures of more than 3.5 billion dollars are anticipated in postwar plans of the Rural Electrification Administration and from reports of postwar planning committees of the U. S. Department of Agriculture Unless there is runaway inflation in agricultural land, most potential rural consumers will be in a better position to buy electrical equipment immediately after the war than they have been in many years

Rationing and price controls will be necessary for some time after the war and the government will have to plan extension of the rural electrification program so that it will balance off valleys in business cycles and not raise the peaks.

YOU THINK THE FARMER'S LUCKY? (Rylie Ellis Tuttle in American Magazine, July) - - I confess quite frankly that life on our farm in these days is not the drudgery it was 20 years ago ... Electricity is a blessing you city folks can never appreciate. It's wonderful to open the refrigerator and take out nice, clean ice cubes instead of trudging to the ice-house and digging hunks of dirty pond ice out of the sour straw. It's magical to turn on the radio and get the city market quotations two minutes after they are posted

WHAT WILL HAPPEN BY 1950? (Margaret Mauder's column, Globe-Democrat, July 2; answers by 29 persons, chosen at random)

"Rural electrification will take the drudgery out of farming. I hope to have a washing machine, refrigerator, vacuum cleaner, and complete plumbing.

We'll be raising food for the world and science will make farming less hazardous economically and at the same time easier on the farmer." - - Mrs. L. J. Buckner, Kinder Post, Mo.

THAT'S WHAT WE'LL BUY (Wallace's Farmers, July 1) - - "The first thing I get when the place is wired will be an electric refrigerator Soon's we get electricity, I'll put an electric pump in. I'm tired of pumping by hand when the windmill stops"

In Greene County, Iowa, the REA has been operating for seven years. From headquarters at Jefferson, REA lines run out over parts of nine counties ... Carl Johnson, Manager, says everybody wants lights first. What next? "Women want a washing machine and an electric iron," he said. "Refrigerators come high on the list, too. So do toasters. When deep-freeze units are available, farm women will want to get those, also."

"The men talk a lot about lights as a help in doing chores. Pumping water comes high, too. On the dairy farms, electric milking machines get a big vote."...

HERE'S A MESSAGE (Commercial from radio newscast, Central Hardware Co., KXOK, July 5 and 8) - - Here's a message from Central Hardware of special interest to property owners who have just been given electric service through REA. While electric lights and labor-saving appliances are a real boon, one of the grandest things about electricity is the luxury of a refreshing bath and the convenience of an indoor toilet that you may have with an electric water pump. With such a pump you'll also be able to water the stock more easily and do the million and - one other chores for which you need water on the farm

IOWA FARMERS ARM FOR PEACE (Country Gentleman, July) - - ... "Farm women talk of the things they will have for their homes after the war," said Mrs. Paul Mitchell of Reinbeck, chairman of the Farm Bureau Home Project work Electrical applicances which they have never owned or which will need to be replaced head the list, I believe, along with making their homes more modern. The home freezer is something new which interests us. We have found that locker-preserved food is a success and we like it. However, a locker doesn't have the capacity and it is quite a distance from the nearest locker to many a farm stove. So I believe farm families will be thinking about buying home freezers after the war."

"We farm people don't want to lose the standards of living which we have gained in the past few years, and which we hope will continue to rise after the war"

INDIANA CO-OPERATIVE MANAGER AWARDED SAFETY MEDAL (Brownstown, Ind., Banner, June 28) - - Thomas E. Cooper, manager of the Rural Electric Membership Corporation of Harrison county, was presented the President's Medal of the National Safety Council Friday ... in recognition of his saving the lives of two men after they had received a high-voltage shock near Laconia, March 25, 1944 ... Among those present at the ceremony was Karl B. Crawford, REA representative.

SOUTH DAKOTA FARMERS PLAN ELECTRIFICATION (Sioux Falls Argus-Leader, June 22) - - Farmers in Sanborn, Davison, Miner and Hanson counties have completed organization prior to building a rural electrification line, construction of which is promised by REA officials to begin eight months after the war ends. About 500 farmers have attended meetings held in Davison, Sanborn and Miner counties

THIS IS NO FAIRY TALE (Davenport, Iowa, Democrat & Leader, June 23) - - REA has given electricity to 60,000 Iowa farm homes, many of which would otherwise depend on antiquated methods of illumination ... Their occupants have reason for everlasting gratitude to an administration which had the vision and the courage to say "there will be and there must be electricity within reach of every farm home in America and at a price that will make its installation possible."

ALONG THE WAY (by O. B. A., Willmar Daily Tribune, Willmar, Minn., June 26) While attending the REA gathering recently, we spoke of the fine progress made throughout the nation in bringing electricity to our farms. We could see a bright future ahead -- this thing should grow and expand. There are some, a very powerful group, who do not relish the growth of this co-operative. They dread to observe these lines built. A job which they themselves have not done when they had the chance. Now, it is sour grapes that someone else has been able to accomplish the task. But, more than mere lines, these interests fear even more, the building of REA generating plants. That really hurts. And so we were told that these interests are quietly pulling every string and scheming in diverse ways to throw obstacles into the path of this great movement. All of which means that the entire REA organization from top to bottom must be on its toes, ever vigilant against its enemies.

ITEMS OF INTEREST TO THE STAFF

A Showdown Vote on REA Policies Tuesday -- Emporia Gazette, June 19. -- Special election to select new board of directors for Lyon County Electric Co-operative, June 20.

Real Estate Board Hears Utility Head -- Texarkana, Ark., Gazette, June 17. -- W. E. Bann, vice-president of Southwestern Gas & Electric Co., refers to the current trend to "socialize the power industry through the Rural Electrification Administration."

Hanson County REA Move Investigated -- Sioux Falls, S. D., Argus-Leader, June 28. -- Two hundred farmers attend initial meeting preparatory to organizing co-op.

Farm Market Will Be A Big One After the War -- Jackson, Miss., Clarion-Ledger, June 24.

Postwar Plans Reveal Social Consciousness -- Waco, Tex., Tribune-Herald, June 25. -- Extension of rural electrification listed in prize-winning letter entered in Tribune-Herald's "Postwar Programs Contest."

Republican Platform Shows Emphasis Placed on Domestic Issues -- Washington Star, June 28, and many other papers. -- Platform lists "sound extension of rural electrification service to the farm."

Big Expansion Seen for Food Lockers -- New York Times, July 4.

Plan to Bar City Suits to Condemn Utilities Beaten -- Post-Dispatch, June 28.

Business Briefs -- Washington Post, June 30. -- D. J. DeBoer named director of Copper Wire Engineering Association with headquarters at 506 Olive Street, St. Louis.

More Farm Homes Using Electricity -- Raleigh, N. C., News & Observer, June 27.

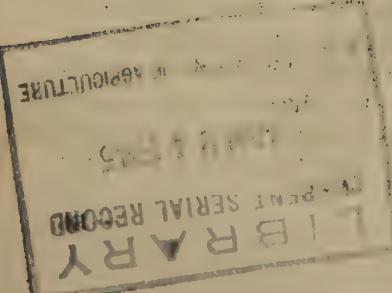
Resorts for Sale -- classified ad, Post-Dispatch, July 2. -- Excerpt: "... REA electricity will be available immediately after the war; contracts signed and stock certificates issued."

The REA Carries On -- editorial, Wheeling, W. Va., Intelligencer, June 24. -- Advocates abolition of REA.

Give Electricity Credit on Farm -- St. Cloud, Minn., Times, June 24.

Electricity Serves 25% of Tennessee Farms -- Tennessee Farm Bureau News, July 6.

Since the June 30 issue of The Digest, several dozen news stories and editorials have appeared with reference to the alleged "political domination" of the agency.



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REA PRESS DIGEST

A semi-monthly summary of press and radio items pertaining to REA.

Information Division

Mon., July 31, 1944

POWER FOR RURAL AMERICA (Minneapolis Tribune, editorial, July 11) -- The fact that the Rural Electrification Administration completed the authorization of half a billion dollars in loans to cooperating borrowers for farm electrification last week passed unnoticed. In times such as we are living, the authorization of such a sum seems small, particularly for a project which has been operating since 1935. Yet the story of what has been happening to bring power and light to the farms of this country through this program of rural electrification amounts to a mechanical revolution on our farms. . . .

The benefits of the program are permanent and are apparent everywhere in better farm living and more efficient farm operation. But its value has been particularly apparent during the critical war years when the demand for farm production has increased tremendously and the manpower to make it possible has been short. . . .

In the postwar period a continuation of this sound expansion in the use of electricity on the farms should be encouraged as part of a program of better living for rural America.

FEDERAL INVASION OF POWER FIELD HIT BY ATTORNEY (Texarkana, Ark., Gazette, July 13)

-- The federal government has the power, through its unlimited ability to tax, to put any private enterprise it chooses out of business by subsidizing competition, Richard L. Arnold, Texarkana attorney, said Wednesday night in an address before the Kiwanis Club.

Arnold discussed the activities of the Federal Power Commission, the Rural Electrification Administration, and the Federal Works Agency in Arkansas, pointing out that these three "sinister" groups had attempted to undermine the work of private utilities in the state and set up an elaborate public utilities system that would endanger the continued operation of the private concerns. . . . He objected to the fact that the REA was allowed to obtain priorities for copper wire to build 200 miles of high-line from the Grand River Dam in Oklahoma to the Lake Catherine aluminum plant after the members of the Southwest Power pool had agreed to transport the power over their lines at no cost to the government. . . .

SOUTHWEST POWER POOL NOT INTERESTED IN ALUMINUM PLANT RATE CUT (Arkansas Gazette, Little Rock, July 15) -- Representatives of the Southwest Power Pool, an association of electric companies which supply part of the power used by the Defense Plant Corporation's Jones Mill aluminum plant, conferred with the State Utilities Commission yesterday about extending the contract beyond its expiration date July 31. The companies want to retain the present rate, approximately $7\frac{1}{2}$ mills per kwh. Chairman Marvin Hathcoat of the Commission said that although the Commission has favored a reduction, he thought present conditions justified the higher figure. . . .

The Ark-La Electric Cooperative, which also furnishes power to the plant at a lower rate, has indicated it was interested in withdrawing its service to the mill, he said . . . No formal application to renew the contract has been filed, Mr. Hathcoat said.

HELPS PARALYSIS VICTIM (AP Dispatch in New York Times and New York Herald-Tribune, July 22) -- Electricity to operate an electric therapeutic apparatus for treatment of their baby, afflicted with infantile paralysis, is flowing into the farm home of Mr. and Mrs. Lester Welle, near Milford, Iowa, as a result of a letter Mrs. Welle wrote to President Roosevelt.

The child was stricken a year ago, and electro-therapeutic treatment brought improvement. When the family decided to move to a farm that had no electricity, Mrs. Welle wrote the President that she feared the gains in the child's condition would be lost unless electricity were made available.

The White House referred the letter to the Rural Electrification Administration, which obtained WPB approval for immediate construction of a line to the Welle farm and others in the vicinity.

FAMILY FARMING (editorial, New York Times, July 10) -- It is part of our nation's tradition that rural economy be based on the small farm. Now that science is entering agricultural production, some groups are alarmed lest the farming philosophy of Jefferson be eliminated. Certain planners favor the large-scale corporation-type of agriculture . . .

One of the factors already in operation which will help family farming hold its own is rural electrification. The nation's 6,000,000 farms will gradually become electrified. Aside from the comforts it will bring to rural living, the economic result will be that the farms can be operated more efficiently. Electric power will enable a general farmer to grind his own grains. Home-grown grains encourage diversification based on livestock farming, the safest and most profitable set-up for the average farm. . . .

Many products hitherto thought of in terms of human and animal foods will in the future be raw materials for industry. The traditional family farm will work out its place in the scheme of national agricultural economy.

GOVERNOR STRESSES EXPANSION OF REA PLAN FOR AFTER WAR (Winston Salem Journal-Sentinel, July 2) -- Governor J. Melville Broughton of North Carolina, in speaking before the fifth annual meeting of the Randolph Electric Membership Corporation here yesterday, strongly stressed the need for an enlargement of the Rural Electrification Authority program after the war as the principal means of solving the farm labor problem.

"The farm," he said must be made attractive to the young men who return or more will leave it for the city and industry. They have become more conscious of the bigness of modern machinery and industry and will not be content to remain on an outmoded farm without modern conveniences. One answer there is electricity."

The American farmer will play a great part in the rehabilitation of agriculture in Europe after the war, he said, and the farm labor problem must be met satisfactorily before this can be done. . . .

In the future, Governor Broughton said, the farms without the benefits of electricity may as well be of the Stone Age because there will be a swift trend toward industry and machinery

BURN AN REA MORTGAGE (photograph and caption in The Farmer, July 15) -- This photo, taken at Willmar, Minn., June 26, shows the burning of the first mortgage given to the government by the Kandiyohi REA. It was for \$97,000 and was repaid 19 years before it was due. . . .

THE NEW FARM HAND - ELECTRICITY (Ellen Roemer in Nebraska Farmer, July 15, leading article) -- Electricity is proving to be the new hired hand that is helping the farmer-consumers of the York County Rural Electrification district to hold up their end in war food production in spite of labor shortages.

"We don't know how we got along before we had electricity, and we'd sure hate to try to farm without it," was the opinion expressed again and again by York County rural electric power users in recent interviews. . . .

Wartime conditions have made expansion impossible, but Manager H. C. Slonecker says there are 581 applicants signed up and waiting for a postwar building program which will entail the construction of 318 additional miles of line. Every farmer has a list of electrical equipment to be purchased after the war and his wife

REA SETS OUT SAFETY RULES (Lexington, Ky., Herald, July 17) -- With electricity still relatively new to thousands of farmers, operators of Kentucky's 25 REA-financed power systems are attacking safety problems created by improper use of electrical facilities. This educational program among the 46,000 rural consumers on REA-financed power lines in the state, is cited by Rural Electrification Administration safety engineers as a means of helping to achieve the goal to which National Farm Safety Week, July 23 to 29, is dedicated. . . .

GREAT IMPROVEMENTS LOOM IN CENTRAL TEXAS AFTER WAR WHEN ELECTRICITY USE SPREADS

(Austin American-Statesman, July 16) -- There'll be modern bathrooms in every farm and ranch home in 1950. And electric lights. Electrically-pumped water for household, for stock, for irrigation. Electrically-operated sterilizers for milk cans and coolers. . . . Air conditioned homes will be no novelty. . . . There may even be telephones operated off rural electric lines.

Unbelievable? No, asserts Congressman Lyndon Johnson. All these gadgets are not only feasible, he says, but already in use. . . .

The Congressman's comments were in connection with his study of a survey now being made by the two electric cooperatives which serve this district, of the unelectrified farms in the ten counties of the congressional district. . . .

Johnson emphasized that on the postwar farm electricity would be classified as a necessity, rather than a convenience.

"The plain unvarnished truth is that the farmer without electric power will find it tough going to compete with the farmer who has its benefits," he explained.

FOOTHILL POWER GROUP WINS A PROMISING ADVANTAGE (Fresno Bee, editorial, July 5) --

With \$260,000 available to buy supplies just as soon as conditions permit, the Foothill Electric Association, a Fresno County organization is in a position to prove what publicly financed utility projects can accomplish. . . .

C. E. Keffer, a Rural Electrification Administration field representative, informed the group the financing has been approved to cover costs of lines, etc., to provide electricity for pumping, lighting, and other requirements in an area extending from the San Joaquin River to Kings Canyon National Park. . . .

WANT METER BOXES TO MEET REA AND PUBLIC UTILITY DEMANDS (Wall Street Journal,

July 21) -- The knife-and enclosed electric switch industry advisory committees recently recommended to the War Production Board that household meter boxes be removed from Order M-126, which prohibits their manufacture, to meet demands of public utility companies and the Rural Electrification Administration, the WPB announces.

ITEMS OF INTEREST TO THE STAFF

Three State Co-ops Get REA Loans -- Washington dispatch in Minneapolis Tribune, July 5.

Faribault County REA Receives \$50,000 Grant -- Washington AP story in Mankato, Minn., Free Press, July 5.

\$815,000 REA Loans -- Springfield, Ill., AP story in Globe-Democrat, July 7.

Added Service on Rural Power Lines -- Colorado Springs Gazette, July 3. -- Mountain View Electrification Association, Inc., plans extension of lines.

REA at Prosser Gets \$20,000 Loan -- Seattle Post-Intelligencer, July 5.

Electric Refrigeration Saves on Food, Work and Money -- Mason City, Iowa, Globe-Gazette, July 11.

REA Loan Allotments Total More Than Half Billion -- Bloomington, Ill., Pantagraph, July 7.

Twelve Families in State Get REA Awards -- Springfield, Ill., Register, July 7.

Brazil's Cinderella the Great -- article on the San Francisco River of Brazil by Morris Llewellyn Cooke, REA's first administrator -- Survey Graphic, July.

Electricity Helps Farmers -- editorial, Winnipeg Tribune, July 12 -- Manitoba Power Commission making comprehensive survey of farm electrification potentials. Cites survey recently completed by North Dakota cooperative, as reported in July issue of Rural Electrification News.

Since the July 15 issue of The Digest, 29 clippings with reference to the alleged "political domination" of the agency have been received.

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REA PRESS DIGEST

A semi-monthly summary of press and radio items pertaining to REA.

Information Division

Tues., Aug. 15, 1944

U.S. DEPARTMENT OF AGRICULTURE

COUNTRY BANKER WANGLES ALL BENEFITS FOR CUSTOMERS (Philadelphia Record, August 2) . . . Bankers as a rule are bitterly opposed to co-operatives. Not Ellis Van Horn of New Enterprise, Pa. He has organized a couple of them.

Farms there never had electricity -- and never hoped to have it. -- according to Van Horn -- until the New Deal came along with its Rural Electrification Administration and put both Federal and State laws on the books, permitting co-operatives to string high-lines to the farms.

The man who brought REA to Bedford, Huntingdon and Fulton counties was Van Horn. He had fought the power company to a finish years before in order to supply homes and stores in New Enterprise. That time Van Horn set up a co-operative which did the trick and which the private company then was glad to buy out. But they still refused to supply farms.

So in 1939 Van Horn organized the New Enterprise Rural Electric Co-operative, Inc. Starting with 300 members, it now has 800, and maintains 160 miles of distribution system with three sub-stations. This really revolutionized dairy farming in that area. Doing all the jobs on a big dairy farm without electric power is like trying to paddle a battleship.

Van Horn is still president; the annual meetings of the co-op regularly fill the big Grange hall at Loysburg. . . .

UTILITY TELLS P.S.C. IT WILL LOWER RATES (Frankfort, Ky., dispatch by Allan M. Trout in Louisville Courier-Journal, July 28) -- The Kentucky-West Virginia Power Co. today proposed to lower rural electric rates \$18,500 a year as it sought permission from the Public Service Commission to construct 1186 miles of new rural lines in sixteen mountain counties of East Kentucky.

Four East Kentucky co-operatives of the Rural Electrification Administration opposed the extension on grounds they have a right to the territory for expansion of their own facilities. . . .

R. E. Hodges, general manager, also revealed his utility is considering another reduction in rural rates two years hence, amounting to \$4000 a year savings to rural customers, and that it is prepared to liberalize its present rule requiring a farmer to pay costs of his own lead-in line in excess of 200 feet from the center of the highway along which the main line runs. . . .

Harry C. Lamberton, St. Louis, associate counsel for REA, led the cross-examination of witnesses. He was assisted by attorneys representing the four co-ops, Fleming-Mason Co-operative, Licking Valley Co-operative, Cumberland Valley Co-operative, and the Big Sandy Co-operative.

Lamberton declared yesterday at a Louisville meeting of REA executives that the case at issue affects every co-operative in Kentucky and will threaten their postwar plans if the private utility gets the decision. . . .

REA counsel intimated . . . that the co-operatives already have prospected much of the territory in issue, doing work such as taking applications, membership fees, and right of way easements. Some of the proposed Kentucky-West Virginia extensions, they indicated, would parallel existing REA lines, while others would cut through the heart of highly productive territory vital to REA operations.

SALE OF POWER PROPERTIES FOR STATE SOUGHT (Montgomery, Ala., Advertiser, August 1)

-- Commissioner Gordon Persons said Monday a petition had been filed with the Alabama Public Service Commission by the Federal Water Gas Corporation of New York for the approval to purchase the Alabama Water Service Company. The petition asked for authority to make the purchase and in turn sell the physical properties to the

Rural Electrification Administration along with the municipalities of Elba, Opp and Andalusia.

According to Persons the transaction will involve about \$2,500,000 of which the REA would pay \$2,075,000 and the three municipalities the remainder.

Under the new set-up, Persons declared, small towns will now have their own power sources. A number of Alabama communities already have their plants and buy power wholesale from the REA.

"It results in a great saving for rural sections. And it belongs to the people of those sections," said the commissioner.

Hearing date has been set for August 28.

REA DEFENDS CO-OPERATIVES' LOAN EXTENSION (New York Herald-Tribune, July 26) -- Wilbur L. Morse, speaking for the Rural Electrification Administration, defended today before the Securities and Exchange Commission the extension of a loan by that agency to three Ohio rural electric co-operatives for the purpose of purchasing the properties of Ohio Midland Light and Power Co. from Associated Electric Co.

The co-operatives . . . bid \$2,115,000 for Associated's interest in Ohio-Midland, topping the \$1,900,000 bid of Columbus & Southern Electric Co.

Columbus & Southern protested the sale and its counsel, W. Glover Porter, asked the commission today, in oral argument, to reopen the whole proceeding to admit further testimony. He said the record should contain the result of a meeting held in Lancaster, Ohio, last Saturday at which members of the South Central Co-operative voted to serve non-members after acquiring the Ohio-Midland properties.

Because of this, Mr. Porter continued, the co-operatives disqualify themselves as non-profit organizations and subject themselves to the regulation of the Ohio Public Utilities Commission. He also argued that the REA had no legal right under the act to loan the three co-operatives approximately \$3,500,000 for the purpose of acquiring the properties, which include a coal-hauling railroad.

Mr. Morse justified the loan by stating that consummation of the sale will result in extended rural electrification. Inclusion of the railroad property was of no great concern to the REA, he said, since its value amounts to only about 5% of the entire loan, and anyway it is considered a "substitute for a generating system." He pointed out that the co-operatives' final plans for the properties are subject to REA approval.

The commission took the matter under advisement. . . .

RURAL INDUSTRIES (editorial, Sioux City, Iowa, Journal, July 16) - - . . .

. Rural Electrification, now reaching every section of the nation and certain to increase in scope as soon as the war ends, will be a big asset in any . . . attempt to decentralize industry. Recently an REA official declared: "We believe that development of rural industry is one of the natural results of rural electrification, and that no area will be enjoying the fullest benefits of modern farming without the existence of such industries as might be related to community activities. It seems logical to believe that rural industries will greatly increase the use of electricity on rural distribution systems, thereby tending to improve community prosperity. Where there is electricity at reasonable cost, small industries related to farm needs can thrive, and the people in the surrounding area will prosper. . . ."

OFFICIAL FORECAST ON POSTWAR RURAL ELECTRIFICATION RELEASED (Country Gentleman advertisement, New York Times, August 2) - - This booklet consists solely of facts and figures -- providing the electrical industry with its first tangible postwar market survey. Just issued by Country Gentleman, the report is a compilation of postwar planning in each state, inspired by the Department of Agriculture. . . .

Wealthily as never before, the American farmers' market is bristling with human needs. Electricity and electrical equipment are only the beginning of the things it wants. . . .

ELECTRIFICATION REVIVING (Harry N. Owen, contributing editor, The Farmer, August 5) -- Rural electrification is a war casualty that has been unnoticed, but

nevertheless is important in that it delays the social effects of improved farm living. Buried in the news from the war fronts, the announcement that 500 million dollars have been made available for loans to co-operative electrification organizations, . . . has not had attention. Just how fast materials will come depends on the cost of the war.

We have gone far enough to demonstrate that these loans are safe. . . . I think it can be said if there had been no war about 95% of farms would have been electrified at this time. . . . Rural electrification will give work to many thousands, not only in construction of lines but in wiring buildings, also in factories making all kinds of electrical appliances from refrigerators and oil burners down to lamps. It is not necessary to create the demand. It is here with its hands out.

WHY THE SMALL FARM WILL LIVE (editorial, Winston-Salem, N. C., Journal, July 24) - - . . . American farms are being afforded more and more comforts through electrification. Our 6,000,000 farms are rapidly becoming electrified which means that they are being operated more efficiently. Among many other advantages electric power enables a farmer to grind his own grains. And a profitable use of grains encourages crop diversification based on livestock farming, which records prove to be the safest and most profitable set-up for the average farm. . . .

FARMERS AS BUYERS (editorial, Dallas News, July 29) - - With four of every ten American farms already served with electricity and rural electrification expected to spread rapidly after the war, manufacturers of electrical appliances are studying the needs of farm homes with a view to finding a valuable market for their wares. . . . The farmers' postwar buying power will depend on keeping up the prices of farm products. But with the need of foods and fabrics for relief in war-stricken countries continuing for several years, it may be that a sudden dropping-off in the demand for the products of American farms can be avoided. Some farmers will want new tractors and cultivators and harvesters before they buy what they may regard as luxuries for their homes, but the rural demand for electrical appliances, plumbing, and other home equipment should be large. . . .

ELECTRIFICATION OF FARMS BOOSTS WAR FOOD PRODUCTION (Cheyenne Tribune, July 25) - - During the last year 220 previously unelectrified Wyoming farms were connected with rural power lines in the state and at the end of the year, the number of farms receiving service was estimated at 5100 or 34 per cent of the state's total. . . .

DE-ELECTRIFIED FARMS (editorial, Boston Herald, July 23) - - . . . We may figuratively have "harnessed the lightning" to do our chores but the ease and frequency with which it breaks its harness are not to our credit. Look at the local papers throughout New England after a widespread thunderstorm . . . and you will read of the "trouble men" working 48 hours on end to get power and light back to the farms and villages. . . .

A city without underground wire conduits would be as benighted as a city without sewers. Some day we may demand equal freedom from storm interference for our rural electrification. When new roads are built the wire conduit will be part of the essential construction. The farmer's milking machine will be as sure to operate as the ticker tape.

PRIMING THE PUMP (Business Week, August 5) - - Manufacturers of electric water systems had barely managed to complete their 1943-44 quota of 250,000 units by the fiscal year end, June 30, when WPB gave them a 20% larger quota for 1944-45. A unit includes pump, motor, switch, and tank for a farm water system, and is sold only on a certificate of necessity from the local county war rationing board. . . .

Only 17% of the country's nearly 7,000,000 farm homes have running water. So the industry has a wide field, for the educational campaign it is starting will create a definite and long-sustained demand for its products. . . .

Although sales of electric water systems increased 435% from 1932 to 1940, it took wartime demands for food, and an acute manpower shortage to make farmers cry for labor-saving equipment of this kind. Now the demand far exceeds the supply. . . .

CONGRESSMAN JOHNSON WILL CONTINUE PERSONAL REPORTS (Austin, Tex., American, July 21) -- The meeting with REA directors and officials, he (Congressman Lyndon Johnson) said, is relative to what must be done in Washington to insure earliest action on the pending applications for extension of REA lines. With some 12,000 farm families already served by the two co-operatives in this area, applications are pending for electrifying of an additional 623 farm and ranch homes. . . .

Whether materials will be available immediately, Johnson explained, depends upon a number of factors, including the production from that farm or ranch as shown by AAA reports, and its distance from the nearest REA transformer. . . .

UTILITIES CHARGE ARK-LA HASN'T BEEN A CO-OPERATIVE (Arkansas Gazette, Little Rock, July 30) -- The Ark-La Electric Co-operative, which supplies a large block of energy to the Jones Mill aluminum plant near Hot Springs, "is not a co-operative and never has been operating as such in Arkansas," P. A. Lasley, lawyer for the Arkansas Power and Light Company and three other companies, charged in a brief filed with the state Utilities Commission yesterday.

The former special attorney for the commission represents A. P. & L., the Arkansas Missouri Power Corporation, Southwestern Gas and Electric Co., and Oklahoma Gas and Electric Co., who filed a complaint last December seeking to have Ark-La, an REA-financed organization, declared a "public utility" and brought under the full jurisdiction of the commission.

The complaint, which reached a hearing before the commission last spring, was considered a renewal of an attempt of the four major electric companies in Arkansas to prevent a free flow of public power into the state after the war. . . .

ITEMS OF INTEREST TO THE STAFF

AUG. 15

ONTARIO LINKS HYDRO-ELECTRIC PLANTS TO 72,000 FARM CONSUMERS (Post-Dispatch, complete edition, August 8) - - Farm electrification was discussed on one of a series of farm radio forums being conducted this summer in Ontario, the program made comparisons between Ontario developments and those in Missouri and Arkansas.

\$300,000 In REA Work Set - - Mankato, Minn., Free Press, July 19. - - Blue Earth-Nicollet co-op announces amount to be spent for rural electrification in its area after the war.

REA Is Nine Years Old - - editorial, St. Cloud, Minn., Times, -July 22.

Co-op Speeds Line to Farm to Help Sick Baby - - Estherville, Iowa, Daily News, July 20. - - Also, Erect REA Line to Aid Ill Baby, Des Moines Register, July 21. (See Press Digest, July 31 for complete story.)

The Mirrors of Austin - - Paul Bolton in Abilene, Tex., Reporter News, July 19. - - Pictures the role electricity will play on the farm of 1950.

National Farm Safety Week Designated - - D. C. Bruce (county agent) in the Macon, Ga., Telegraph, July 25. - - Georgia's 42 REA-financed co-ops join in observance of safety week.

Cody Area Ranches Get REA Service - - Cheyenne Tribune, July 25. - - Lines for New co-operative, to serve 102 ranches on or near Shoshone River, now under construction.

REA Urges Farm Safety Measures - Indianapolis News, July 26.

Rural Power Systems Need Careful Usage - - Raleigh, N. C., News and Observer, July 30.

Electric Bond and Share to Stay in Business Despite Holding Act - - New York Times, August 4.

Wickard Warns of Farm Land Boom - - New York Times, August 4. - - Secretary says inflated values will lead to losses unless checked.

To Establish Industries in Rural Communities - - editorial, Bluefield, W. Va., July 29. - - Rural electrification will be a big asset in any attempt to decentralize industry.

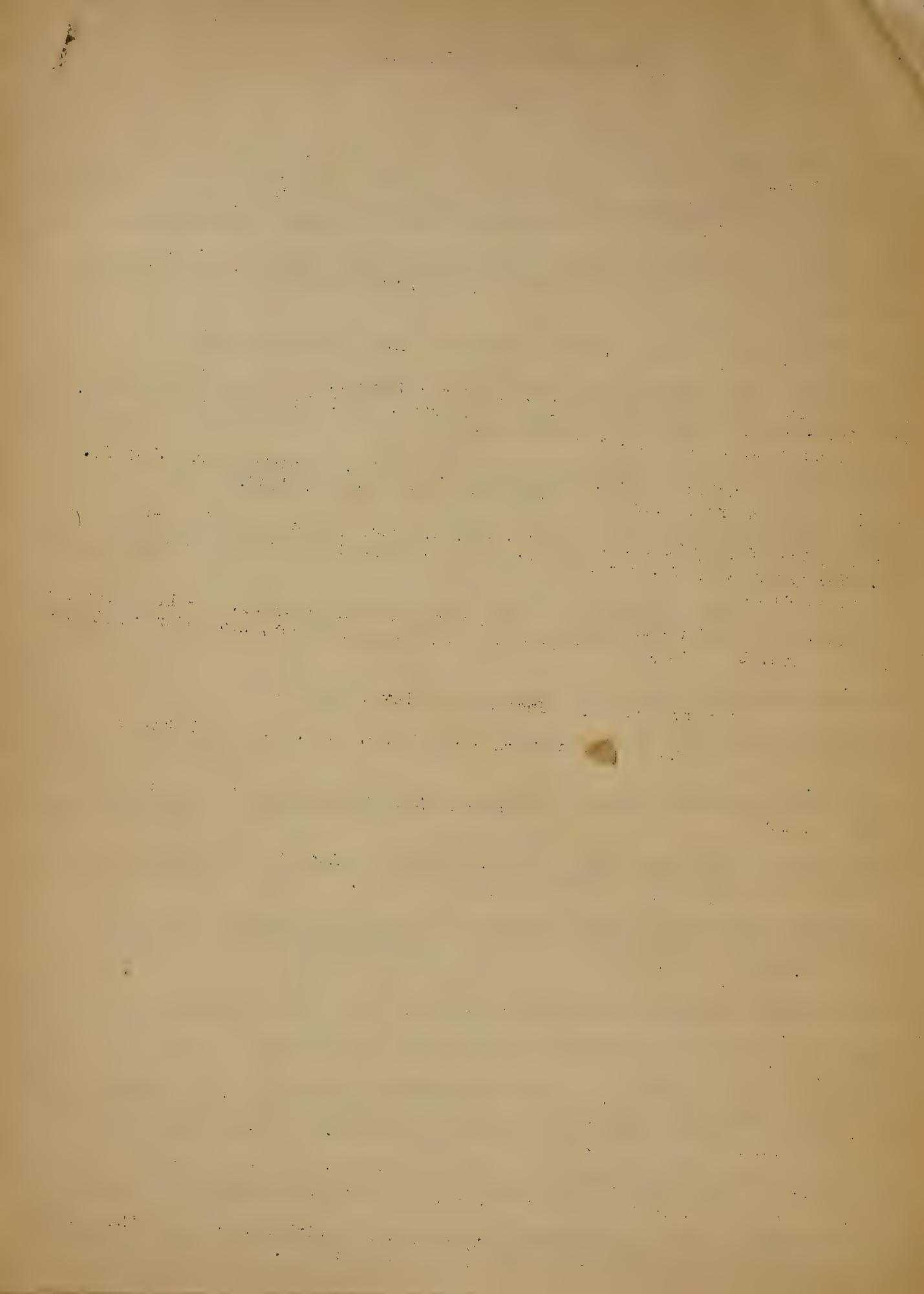
Special Caution for Electricity on Farms Urged - - St. Cloud, Minn., Times, July 27.

Electric Service Boosts Production - - Bismarck, N. D., Tribune, August 1.

Farm Bureau "Five Year Plan" - - Omaha World-Herald, August 2. - - If Nebraska Farm Bureau adopts its proposed "five year plan" at its annual meeting next November, it plans to sponsor extension of rural electrification among other things.

Kilowatts Do Their Job - - The Farmer, August 5, leading article - - Good wiring provides good electric service with safety; poor wiring often leads to tragedy.

Since the July 31 issue of The Digest, 4 clippings with reference to the alleged "political domination" of the agency have been received.



REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.
Information Division

Thurs., Aug. 31, 1944

SCOTT W. LUCAS ADDRESSES THIRD ANNUAL CONVENTION OF ELECTRIC COOPERATIVES (Illinois Register, Springfield, August 18) — Interdependence of business, industry and agriculture upon each other is the first essential to be remembered in postwar planning, Senator Scott W. Lucas told delegates to the third annual convention of Illinois Electric Cooperatives . . .

Senator Lucas, a member of the senate committee on postwar economic planning and policy, urged the REA delegates to aid in maintaining a good working arrangement between each of the groups to assure carrying forward "an economy which will destroy the two diseases of civilization -- unemployment and war." . . . (A picture of C. A. Winder, assistant to the director of the Office of War Utilities, appears in the Illinois State Journal, August 18).

\$700,000,000 LOAN TO BE ASKED FOR RURAL ELECTRIFICATION (Post-Dispatch, August 16) — An additional \$700,000,000 loan to provide electrification for about 80% of American farm homes in the five years following the war will be asked of Congress, it was announced yesterday by officers of the National Rural Electric Cooperative Association after a two-day meeting of the group's Executive Committee at the Hotel DeSoto. The proposal, made by the Association's Planning Committee and approved by the Executive Committee, will be submitted to the Rural Electrification Administration. Construction made possible by the appropriation would provide 380,000 man-years of work, A. J. Becker, chairman of the planning committee, said. A resolution favoring employment of veterans was adopted . . . Approximately \$525,000,000 has been appropriated by Congress for rural electrification since 1935, of which \$501,000,000 has been allotted. (Similar stories appeared in the Star-Times and Globe-Democrat).

UTILITY LEADERS SEE EXTENSION OF U. S. CONTROL (New York Herald-Tribune, August 20)

— Efforts of the Rural Electrification Administration to obtain for government-subsidized cooperatives a prior right to purchase millions of dollars worth of electric generating equipment, owned by the United States and destined to be sold after the war, were seen yesterday by utility executives who have closely studied the move as an attempt further to extend government control over not only rural but industrial power production.

Built by the government to power marginal munitions plants, the fate of some 350,000 kilowatts of generating capacity, scattered among highly industrial sections as well as in outlying regions, is being questioned. REA asserts that this power plant, plus four 30,000-kilowatt floating plants and other mobile units should be reserved for cooperatives. . . .

Utility men feel, on the other hand, that if anyone should have access to such plant and equipment it should be themselves. In any event, they argue, the property should be allowed to go to the highest bidder. . . .

(Editor's Note: This story comments on Secretary Wickard's remarks before the House Committee on Departmental Expenditures, in connection with the surplus property act of 1944. He expressed hope that "a large share" of the generating plants and other electrical equipment which become available would be reserved for cooperatives).

RURAL ELECTRIFICATION (extension of remarks by Congressman Rankin of Mississippi, Congressional Record, August 14) — . . . As I have said, time and time again, this rural electrification movement is the greatest thing that has ever been done for the farmers of this country and we expect to keep up the drive until we reach every farm home in America.

I wish every Member of the House, and every farmer in America, could read the address of the Hon. A. Willis Robertson before the annual meeting of the Shenandoah Valley Electric Cooperative, on the subject of rural electrification.

The results in his own district must give him a thrill of pride, especially in view of the fact that he has been one of the most consistent supporters of rural electrification in this House.

Take the results in Bath County, Va., which was practically without any rural electrification at all 6 years ago, when with the help of Mr. Robertson I put through my amendment for the first \$100,000,000 for rural electrification. As a result of that legislation, today 95% of the rural homes in Bath County are electrified; and the chances are that it will soon be made 100%. What has been done in Bath County, Va., can be done and must be done in every other county in America. . . . (Congressman Robertson's address followed, in full).

FARM NEEDS IN ELECTRIC EQUIPMENT (J. P. Schaenzer in Experiment Station Record, June issue) -- A survey of 41 farms in Ohio and Indiana brought out the following increases in production, productive stock, or acreage: Acres in farms, 27% increase; acres irrigated, 50%; acres seed corn, 176%; milk cows, 46%; beef cattle, market, 21%; hogs, market, 35%; meat processing, T per year, 710%; laying hens, 55%; chicks brooded, 57%; chicks hatched, 130%; turkeys, 109%; apples, bu. estimated, 500%; and vegetables, market, 95%.

Following the electrification 19 new projects were started on the 41 farms. The number of men required was reduced from 110 to 103. The production per man was increased from very slightly more than the War Manpower Commission requirement for classification of a man as an essential farm worker to 1.6 times that required production. . . .

STRIKE NOTICE FILED BY WINCHESTER CO-OP LINEMEN (Springfield, Ill., INS dispatch in Star-Times, August 18) -- Local 72, AFL International Brotherhood of Electrical Workers, filed strike notice yesterday with the War Labor Board in Washington, W. R. Boyd, union business manager, announced. The local members are employed by the Illinois Rural Electric Cooperative, which serves territory around Winchester. The union is seeking, for 18 linemen, recognition of a union clause, and time-and-a-half for overtime. The contract under which the men are working expires September 25.

POWER FIRM IS ACCUSED OF "BLOCKING TACTICS" IN RURAL ELECTRIC PLAN (Fresno, Calif., Bee, August 10) -- Plans of the Pacific Gas & Electric Company to build a transmission line into the area embraced by the Foothill Electric Association's cooperative program were denounced today by Rue C. Gibson, attorney for the group, as "insidious" and a last minute attempt by the P. G. & E. to block the cooperative's project under the government's rural electrification program. . . .

"This is their insidious plan; they are circulating among the Foothill customers, leaving the impression they have the material and can begin work at once," Gibson declared.

"That is absolutely untrue. They may have a warehouse full of material, but they can't begin any new construction without the WPB's permission." . . .

"We are going to build the line," declared H. H. Courtright, manager of the P. G. & E's San Joaquin Power Division. . . . Gibson said the utility's application to the California Railroad Commission is being held up 90 days from August 6, pending an investigation by the commission. The state board ordered the investigation on its own motion.

REA GROUPS ASK REDUCTION IN TAX ASSESSMENTS (Boise Idaho Statesman, August 17) -- The state board of equalization interviewed approximately half of Idaho's 44 county assessors Wednesday reviewing evaluations and heard a plea for assessment cuts by representatives of several Rural Electrification associations. . . .

All REA representatives except one urged reductions in the evaluations of property on the ground that they are non-profit associations serving thinly

populated areas "where the private utility companies will not go." . . .

D. Morrison Neely of the REA Office of the Solicitor in St. Louis, appeared before the board, composed of Gov. Bottolfsen, the secretary of state, the attorney general, the state treasurer and the state auditor. . . .

IOWA MAYOR QUESTIONS RIGHT OF CITY TO BECOME MEMBER OF CO-OP (Des Moines Register, August 15) -- . . . Cor Van de Steeg, mayor of Orange City, discussed membership in REA as opposed to municipal operation of a generating plant, at a meeting of the Municipal Employees Association Monday. Van de Steeg said with two exceptions the REA has directed local cooperatives to purchase current at wholesale rather than build generating plants and that as a result these questions arose: 1) whether it would be cheaper for the town to buy than to generate electricity 2) whether the laws of Iowa authorize a municipality to become a member of a cooperative and pay it a membership fee. Citing a court case and the state constitution, he said he believed the state has not conferred upon cities or towns the authority to become a member of a cooperative. . . (Note - This item taken from a story headed "City Workers to Ask State Security Aid.")

REA HEADS HOLD MEETING (Lexington, Nebr., UP dispatch in Lincoln Journal, August 2) -- Postwar planning was the principal subject of discussion at a meeting of the State Association of Rural Electrification Managers and Superintendents this week. Methods of using electricity to replace labor and increase production on the farm, and present day material and labor shortages also were discussed by representatives of 12 states and 21 REA systems. . . . L. L. Beatty, regional head of REA's Finance Division, was a principal speaker.

RURAL ELECTRIFICATION (Pennsylvania Farmer, August 12) -- Wider use of electricity on farms after the war was predicted by engineers and representatives of the electric industry at a meeting in Philadelphia recently. Sponsored by the Westinghouse Electric & Manufacturing Company the conference reviewed the results of farm electrification during the past two decades.

Of particular interest to the group was a report on a bit of research done by the University of New Hampshire. Engineers there have tackled the ancient occupation of doing farm chores, and found that by rearranging feeding, milking methods, etc., some hours and several miles walking a day were actually saved in doing the chores on a New England farm. . . .

ITEMS OF INTEREST TO THE STAFF

Plant Accounting Principles and Practices -- T. J. McKee, Secretary, New York State Municipal Electric Utilities Association, in Public Power, August issue. -- "An example of accounting procedure to simplify methods and forms for executing work order and store room procedure is Finance Division Bulletin No. 12 issued by the Rural Electrification Administration to REA auditors and examiners and to officers of REA cooperatives."

Konkel Speaks on Growth of REA in Region -- Sterling, Colo., Farm Journal, July 20.

-- Attorney for Highline Electric Association lauds REA program in speech before local Rotary Club.

Rural Electrification Program Announced -- Electric Light and Power, August -- Postwar program of electrification, according to Research Department of Country Gentleman.

Post-Mortem on New Deal -- Montgomery, Ala., Advertiser, August 5 -- Rural Electrification Administration has made possible many miles of rural power lines serving farmers. Mentions other agencies.

REA Projects Show Many To Better Way of Life -- editorial, Fresno Bee, August 10, and Sacramento Bee, August 8.

Bartlett Advocates More Power -- Louisville Courier-Journal, July 30 -- Judge Clarence Bartlett, candidate for Republican nomination for Senator, tells audience he is "warm advocate" of "more rural electrification."

Postwar Refrigerators -- Mary Madison in New York Times Magazine, August 20 -- John Best, president of Refrigerator Corporation of America, forecasts that, in rural and suburban areas, community locker plants will become all-around frozen food centers where locker renters may buy frozen vegetables and meats at large quantity savings, as well as freezing and storing their own produce.

Tells of Plan for Rural Electrification -- New London, Conn., Day, August 2 -- Farmers and other Connecticut people living in rural areas now without electricity will be happy to know of the postwar plans of Connecticut power companies to make electricity available to everybody as soon as possible, says A. V. S. Lindsley, vice-president of Connecticut Light and Power Company.

Farmers Still Get Only Promises -- George E. Sokolsky, Globe-Democrat, August 21, bemoans lack of electricity (and other modern conveniences) on his Massachusetts farm.

Brazil Aids Co-ops; Wartime Growth Promoted by Federal Legislation -- New York Times, August 20.

Golden Age to Follow War -- Lester Allen in Boston Globe, August 13. Electrical appliances will lighten work of farm wives.

Norfork Dam Power Output Delayed by Water Shortage -- Electrical World, August 19 - When Norfork goes into commercial operation, it is expected that most of its energy will be sold to A. P. & L., at least for the duration.

Where Equipment and Money Goes -- editorial, Texarkana, Ark., Gazette, August 13 -- Condemns government's "determination to get into the electric business, while private citizens' proposed project for construction of refrigerator locker plant is delayed because of lack of WFB approval."

Rural Electric Extension Rule May Be Liberalized -- Bakersfield, Calif., Californian, August 15 -- Pacific Gas and Electric Company contemplates doubling extension footage allowances for prospective customers, before payment of 25¢ per foot is required.

World Wide Farm Program Given to 44 Nations -- Globe-Democrat, August 23.

Since the August 15 issue of the Press Digest, several clippings relating to alleged attempts at "political domination" of the agency have been received.

REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA

Information Division

Fri., Sept. 15, 1944

MINUTE OF SILENCE HERE REA TRIBUTE TO NORRIS (Globe-Democrat, September 5) -- Employees of the Rural Electrification Administration paid final tribute to the late Senator George W. Norris at 2:30 yesterday afternoon with a minute of silence, in the REA offices in the Boatmen's Bank Building, while funeral services were being held at his home in McCook, Nebr. Former Senator Norris was one of the co-sponsors of the rural electrification act which established the REA in 1936.

In a memorandum to the REA staff, William J. Neal, deputy administrator, said, "Senator Norris' interest in assisting in the establishment of the Rural Electrification Administration was typical of his entire legislative career in which he pressed militantly the fight to make secure to the people the fruits of a successful democracy. It is our hope and conviction that those instrumentalities in which he took a leading part in creating will fulfill his fondest dreams and that the services they render will endure as a monument to one of the greatest men of our time."

EIGHT MILLION DAILY SPENT FOR FOOD SENT OVERSEAS (Christine Sadler in Washington Post, August 26) -- The War Food Administration during the past year has purchased eight million dollars worth of food daily for shipment overseas, and farmers are set to extend their record wartime production efforts into the postwar years, Marvin Jones told the House Special Committee on Postwar Economic Policy and Planning yesterday

Other postwar thinking about agriculture, he said, should include:

Intensification of the rural electrification program, which he declared should ultimately result in furthering a decentralization of industry to "bring our raw materials close to the heart of the business community" so the interests of agriculture and industry "can thus be dovetailed together."

RURAL ELECTRIFICATION (Columbia, S. C., State, August 29) -- Rural electrification seems never to have found itself until after the coming of REA in 1935.

Then less than 3 per cent of the farms of South Carolina had electricity and it was mighty hard to get it at all. Now 35 per cent of the farms in this state have this great boon to farm life. H. M. Faris of Laurens, president of a rural electric cooperative serving South Carolina, says that in ten years after the war 75 per cent of the farms will be reached by electricity.

A mighty instrument in many fields is electricity. No powers nor combine should be allowed to restrict its beneficent use. It is more than a commodity. It is the great bounty of the twentieth century and should be made available to the utmost.

And for agriculture, as well as for towns and villages, it holds many uses that will grow vastly with the future.

BILL BAILEY'S FIRST NATIONAL (Fortune Magazine, September) -- Like all bankers, Bill Bailey (President of Clarksville, Tenn., First National Bank), is concerned about the government agencies that compete one way or another with banks. His concern, however, is that of a taxpaying free enterpriser worried about the development of socialized credit rather than about the effect of any of the present agencies on the business of the First National. . . .

But Bailey has only praise for FSA's rehabilitation work around Clarksville. He sometimes gives people notes to the local FSA representative, who happens to be one of his fellow Rotarians. Nor does the bank worry at all about the Rural Electrification Administration, which has followed the TVA into the county and finances electrical distribution lines through the Cumberland Electric Membership Corporatio

SALE OF ELECTRIC PROPERTY OKHEd (Montgomery, Ala., Advertiser, August 29) -- The Alabama Public Service Commission Monday approved sale of electric properties of the Alabama Public Service Company to the Alabama Generating Cooperative and the communities of Elba, Opp and Andalusia

Associate Commissioner Gordon Persons said that under the new system involving nine counties in the southeastern section of the state a large number of farmers will be able to obtain power for the first time. He said that \$300,000 is available for rehabilitation of the property and that \$1,000,000 will be made available by REA for the farmers to increase the flow of electricity. . . .

A TROJAN HORSE (editorial, Sacramento Bee, August 29) -- The Pacific Gas and Electric Company has made the proposal that if the Foothill Electric Association -- a San Joaquin Valley cooperative which has negotiated a \$260,000 loan from the Federal Rural Electrification Administration -- will abandon a plan to build a long-needed transmission line it will construct one and charge valley rates for the service. This offer is the most liberal of several made by the privately owned utility but officials of the FEA are awake to the trojan horse aspect of the proposal. . . .

A utility official admitted the power service might have to be operated at a loss for some ten years but, he said, the loss would be spread over the entire territory and would be only a drop in the bucket.

In all, the company contemplates 759 new rural projects. Does it anticipate a loss in many or all of these? Does it expect the customers over the remainder of its system to pay the added tariff necessary to defeat public ownership?

As one FEA official stated, the company does not dare let its consumers get a taste of public ownership with its low rates and profits.

POWER PROJECT MAY GIVE PHONE SERVICE .. (Fresno Bee, August 27) -- W. J. Fulgham, Squaw Valley cattlemen and a director of the Foothill Electric Association, said today the association will be able to give its members telephone service at cost if it carries out the Rural Electrification Administration program for which it has approval and has been granted a federal loan of \$260,000.

The Pacific Gas and Electric Company this week presented to four of the directors an offer to build the power lines involved and to serve association members at Valley rates in return for abandonment of the REA program.

Fulgham said: "I am sure that more than 80% of our members prefer to go ahead with the association program. Until the power company presented its offer, we had 100% of our membership behind us. We still have the overwhelming majority."

"One of the reasons why they prefer the REA plan is telephones. We can buy at wholesale prices the latest type of telephone equipment and install it for our members, using the power lines for transmission. Then we can give telephone service at cost. . . .

"The same thing applies to stoves, heaters and other equipment which our members can buy at wholesale prices if the association continues but which they will pay full retail prices for if the project is turned over to the power company."

"Before I became a director of the association, I went up to Modoc county to make a personal investigation of the Surprise Valley REA project there."

"They started out with 377 members and now they have more than 1000. The consumption of power in the second year of operation was double that of the first year."

"The farmers I talked to told me the project was the best thing that ever came to Modoc county."

TIME-MOTION STUDIES FOR FARMS (Ladd Haystead's "Farm Column", Fortune Magazine, September) -- . . . Electrification of the farm provides another fruitful field (in lightening the farmer's work-load). Engineers now suggest that instead of one portable power unit such as the tractor to furnish power for all farm jobs, it may be more efficient and economical to have many fractional horsepower motors situated strategically in the farm building.

Home consumption on REA farms today averages about 75 kilowatt hours per month. It is estimated that this will rise from 150 to 300 kwh with a consequent decrease in human labor and increase in farm production. Electrification along standardized

lines may minimize the differences in individual farms, which in turn will make it easier to teach and install standard work practices on large groups.

STATE TO SCAN CAREFULLY REWRITING OF RIVER BILL (Abberdeen, S. D., American-News, August 25) -- Under the MVA, more than 600,000 farms would receive electric service for the first time, creating a new market for industrial and consumer goods. The cost of building the rural lines is expected to require more than \$186,000,000 and job for 5,000 men for more than six years manufacturing such line equipment. Another 3,000 men would find steady employment for four years in construction of the new lines, while thousands of others would be needed in mining, processing and other related raw material work.

ASSESSMENTS ARE PROTESTED BY 24 TENNESSEE COOPERATIVES (Nashville Banner, August 30) --- The State Railroad and Public Utilities Commission today heard arguments of representatives of 24 electric cooperatives protesting against tentative tax assessments. Representatives of REA and TVA attended the meeting.

Many of the cooperatives insisted that assessments should be placed at the previous figures in view of the fact that in many instances they were in competition with municipally-owned corporations which paid no taxes and were, therefore, enabled to make better rates for current. Others insisted that some of their rural lines had been paralleled by competing companies and others that they were still "in the red" and that increased assessments would further decrease their ability to make ends meet.

EASILY BUILT HAND TRUCK MOVES FARM MOTOR FROM JOB TO JOB (Popular Science, September) --- When one motor must do the work of several, it should have sufficient power for the heaviest task. On farms, the Rural Electrification Administration advises a 5-hp. single-phase 1750 rpm motor is economical on any job requiring from $\frac{3}{4}$ to 5 hp. The REA designed the hand truck (pictured) to facilitate transporting such a motor from job to job.

ITEMS OF INTEREST TO THE STAFF

Sees Postwar Credit Volume Largest in History of Retailing -- Daily News Record, New York City. -- Convention of National Retail Credit Association predicts that, when government regulations on credit are lifted after the war, the Rural Electrification Administration will probably be again in the field with appliances on from three to five years' time.

An Outline of Public Utilities, by Prof. L. A. Doggett, Pa. State College School of Engineering, revised June 1944, contains a typical Income Account and Balance Sheet of an REA Cooperative. (Figures credited to December 1943 issue of RE News).

The Voice of a Farmer -- Editorial, Springfield, Ill., Register, August 28 -- C. F. Williams, a Pike County farmer, writes to editor, praising REA for bringing light and power to millions of farms.

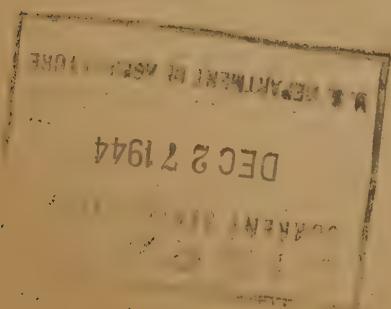
The Surplus Property Bill -- Editorial, Hartford, Conn., Times, August 28 -- Favors Senator Aiken's amendment forbidding sale of government-owned transmission lines to private utilities for one year after the war, or until municipal utilities and REA cooperatives decide whether they want such lines.

The New Deal Climbs Back in the Saddle -- Editorial, Chicago Tribune, August 28 -- Recalls Rep. Winter's denunciation of REA in 1942.

Still Sits the Schoolhouse -- New Dominion Series, Extension Division, University of Virginia, August 15 -- Describes role of rural electrification in rehabilitation of country school houses.

Rural Power Test Plan is Drafted -- Journal of Commerce, New York City, September 5) -- Calgary Power Co. (Province of Alberta, Canada) institutes rural electrification experiment among 100 farmers. Customers will pay \$100 each for installation of line and \$5 monthly minimum for 20 kwh, 2¢ each additional kwh.

Since the August 31 issue of the Press Digest, two clippings have been received concerning the alleged "political domination" of the agency.



REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA

Information Division

Sat., Sept. 30, 194

ROOSEVELT URGES POSTWAR POWER FOR FARMS (New York Times, September 23) -- President Roosevelt urged today that electricity be carried to about 7,000,000 farms and rural homes which have not yet received these facilities under the REA program.

He made his appeal as he announced that he had signed the agricultural bill in which permanent authorization is given for the loan funds required to continue rural electrification and liberalizing the terms of such advances. But he requested Congress to extend provisions for electrification as soon as manpower and materials are available.

Funds required for the construction of rural electrification projects, Mr. Roosevelt explained in a statement which he released at his news conference, should be made available immediately. Such a program, he said, would create employment while it provided necessary facilities.

"In the press of other matters," the President's statement asserted, "many of us have overlooked the rapid expansion which has taken place in rural electrification since this Administration instituted the program in 1936. At that time only one out of every ten of our farm families had central station electric service. Today, 43 per cent of our farms are electrified -- in spite of the necessary curtailment in construction resulting from the exigencies of war."

"On the other side of the picture we must bear in mind that there are still approximately 7,000,000 farm houses and other rural homes still without the benefits of electricity. The comforts and economic advantages of electricity are greatly desired by these American homes. I am sure of it and I am sure that you agree with me.

"Not only are these rural dwellers of America anxious to participate in the advantages of farm electricity, but most of them, as a result of improved farm income are now in a better position to acquire and make effective use of electrical labor-saving devices."

It was particularly important, Mr. Roosevelt asserted, that extensions of rural electrification be planned in such a way as to provide service on an area basis.

"The practice has been too frequent in the past," he stated, "for private utility companies to undertake to serve only the more prosperous and more populous rural sections. As a result, families in less favored and in sparsely settled sections were left unserved. I believe that our postwar rural electrification program should bring modern service of electric power to the farm families in the back country."

"I need not call your attention to the fact that the Rural Electrification Administration program is of a self-liquidating nature; and that, therefore, it is one of the most promising vehicles for attaining a stronger, a happier, and a more prosperous America.

"From the point of view of raising the living standards of rural America and providing a more efficient form of farm management, one of the most important projects interrupted by the war is the extension of rural electrification," according to Mr. Roosevelt's statement.

"While H. R. 4278, which I have just signed, represents a great step forward in achieving the ultimate objectives of the rural electrification program, further action appears to be necessary to satisfy the demands of an accelerated postwar program."

"There is now pending in Congress legislation making such provision. I am hopeful that the Congress, as soon as its legislative program will permit, will give consideration to the objectives of this legislation."

"It is desirable, not only from the standpoint of improving rural living standards, but also of providing a great amount of industrial employment after the war."

It will provide employment not only in the construction of facilities, but a considerably greater employment in the manufacture of electrical equipment." (Shorter stories on the same subject also appeared in the Star-Times, Globe-Democrat, and in many other papers throughout the country).

FIGHT LOOMS ON RURAL POWER, WICKARD WARNS (Neillsville, Wis., UP dispatch in Star-Times, September 20) -- Secretary of Agriculture Wickard charged today that public utilities are preparing to "skim the cream" from rural electrification by extending lines into lucrative territory and ignoring those which might not show a profit.

He told a meeting of the Wisconsin Electric Cooperative here that public utility surveys already are under way looking to this end and added that "no one" should be permitted to build lines which would serve only the profitable part of a given area.

The Rural Electrification Administration has drawn up a three-year postwar construction program to cost \$585,000,000, he said, expressing the hope that Congress will soon enact legislation authorizing the program.

Wickard listed three principles underlying expansion of rural electrification:

1. Rural homes need electricity as much as -- if not more than -- city homes.
2. Furnishing of electricity to farmers should be considered a service to agriculture rather than a means for making profit.

3. REA cooperatives are the best means of getting electric service to the most rural people at the earliest date because they are organized for service and not for profit.

Wickard said the entire program has the approval of President Roosevelt.

"The first step . . ." he said, "is to take broad comprehensive surveys of all unelectrified areas. That job must not be approached on a piecemeal basis. It must go forward on the basis of area coverage. Generating plants and transmission lines must be planned and constructed on the basis of serving areas. Initial distribution lines must be designed with the idea of ultimately serving all of the remaining unserved farms in that area. Failing to lay out such a program now will lead to added costs, to areas served inadequately and worst of all to areas without any service."

"It is unfair and it is un-American to let anything occur which will deprive rural people of anything as vital as electric service."

SLATTERY TELLS REA MANAGERS OF AGENCY'S GROWTH (Ashville, N.C., Citizen, Sept. 14) -- Harry Slattery, national administrator of the Rural Electrification Administration, told the North Carolina Rural Electrification Authority Managers Association convention today that the percentage of North Carolina farms receiving central station electric service has risen from 3.2 in 1935 to 33.8 in 1943. . . .

Mr. Slattery, who traced the history of REA in detail, said the organization has directly and indirectly provided many jobs.

"The scope of postwar plans of REA in North Carolina," he said, "will depend to a large extent on how well local groups lay plans for expansion in their respective area. Area coverage," he continued, "is a prime objective." . . .
(Similar story appears in Waynesville, N. C., Mountaineer, September 14).

RURAL POWER LINE CONSTRUCTION DISCUSSED (The Western Builder, September 21) -- At a two-day regional staff conference at the Wisconsin Hotel in Milwaukee, September 18 and 19, REA Deputy Administrator William J. Neal described a possible acceleration of rural power line construction in the reconversion period. "The postwar expansion of rural electrification" he said, "must go forward on a basis that will bring electricity most quickly and most cheaply to the largest possible number of people."

Deputy Administrator Vincent D. Nicholson of Washington also attended the conference, and Deputy Neal headed a group of officials from the St. Louis REA headquarters. . . .

Neal pointed out that releasing restrictions on construction for which REA loan funds are already approved would provide great opportunities for employment and industrial markets in the reconversion period. . . .

SALE APPROVED OF UTILITY TO THREE COOPERATIVES (New York Herald-Tribune, September 8) -- The Securities and Exchange Commission approved today the sale by Associated Electric Company of all of its interest in the securities of its wholly-owned subsidiary, Ohio-Midland Light and Power Company, to three Ohio rural electric cooperatives for a base purchase price of \$2,115,000 in cash, subject to closing adjustments.

The three cooperatives are borrowing the funds from the Rural Electrification Administration.

The sale was opposed by Columbus & Southern Ohio Electric Company, whose bid of \$1,900,000 was rejected by Associated. Columbus cited four grounds for its objections.

These were that in terms of the interest of consumers, Columbus & Southern is a more logical purchaser; that the proposed financing by the cooperatives is unsound; that the cooperatives are without lawful authority to finance the acquisition, and that they were without lawful authority to acquire the Ohio-Midland properties.

The commission found little merit in the objections and, with respect to the alleged illegality of the financing, stated:

"The record shows that the REA made an examination of the Ohio-Midland properties and operations and determined that the proposed loan to the cooperatives of the necessary funds should be made. We do not deem it our function to inquire into either the soundness or the legality of the administrative findings and determination of the REA with respect to its proposed advance of funds."

With respect to the allegation that the cooperatives lacked authority under Ohio law to make the purchase, the commission pointed out that this alleged deficiency is the subject of three suits now pending before the Ohio courts.

"All that we decide and all that we are required or authorized to decide is whether this sale conforms to the relevant sections of the act, the administration of which Congress committed to us," the Commission said. "We find that it does. Such finding by us, of course, does not affect the determination of the issues before the Ohio courts."

GIRL'S PLEA TO FDR BRINGS ELECTRICITY (Bogalusa, La., News, September 4) -- When red tape and regular channels failed, a little 14-year-old girl's simple plea to President Roosevelt achieved not only results, but completion of an electrical line from the REA to her home in exactly 12 days after her letter left for Washington.

"I'm a little girl 14 years old," Martha Lane Grain wrote, "and my mother is paralyzed from the hips down. The doctor says electric heat will help her. We live one-half mile from the power line. My daddy says we do not have enough livestock and poultry for the line to be built. Please, Mr. President, help my mamma to get well. . . ."

The President referred the matter to the U. S. Department of Agriculture of which REA is an agency. REA telephoned J. O. Cagle, manager of the local Washington St. Tammany Electric Cooperative, Inc., learned that sufficient materials were on hand to build the line. Then REA national officials and Mr. Cagle went to work on the WPA for reconsideration. They got their approval . . . and the line was completed. . . . (A similar story appeared in the Bogalusa Bulletin, same date).

Story on postwar recommendations of Secretary Wickard, by Clifford Stratton in Topeka Capital, September 10 -- Congress should provide for equal standards for and among farmers, Secretary of Agriculture Wickard recommended to the House special committee on postwar economic planning and policy. Congress, he said, can take steps to "stimulate" provision of services and facilities for farm families. Specifically, some of the steps which might be taken by Congress are those, Mr. Wickard says: . . .

4. Electrification. Funds are needed for a comprehensive survey of needs for electricity in all rural areas and for drawing detailed plans for providing it. Also, funds should be made available immediately to finance rural electric cooperatives in the years immediately after the war ends, and the REA should be authorized to make loan allotments to cooperatives as soon as detailed plans for a given area

are completed and local groups want to carry them out. . . .

EXPANSION OF REA URGED FOR PENNSYLVANIA (Washington dispatch in Philadelphia Record September 9) -- Rep. Frank Myers, Philadelphia, today urged postwar expansion of the rural electrification program which has brought electric service to 65,000 Pennsylvania farms. . . .

Pointing out that development of small farms will be the largest and most fertile field for national restoration when peace comes, Myers recommended a four point program for extension of rural electrification:

- 1) Engineers must continue their struggle for lower cost construction.
- 2) Wholesale and retail rates must be lowered.
- 3) Cooperatives must be protected against unfair competition.
- 4) Lower interest rates and more liberal terms for borrowing must be made available for rural line construction. . . .

"We cannot help the farmer," he said, "without contributing to the well-being of the nation, and we cannot legislate against the farmer without threatening the security and welfare of the nation."

REA DISCOUNT ON POWER IS NOT ALLOWED (Greensboro, N. C., News, September 6) -- An order denying a developmental discount on power purchased by the North Carolina Rural Electrification Authority from the Carolina Power and Light Company was issued today by the state utilities commission.

The order concerns power purchased by REA for resale to incorporated towns and cities and for resale to commercial or industrial customers using power in excess of a metered 15-minute demand of 75 kilowatts, except when such transaction is approved in writing by the commission.

The action made it possible, however, for the REA to allow a 20% discount to customers other than incorporated towns and cities and commercial and industrial customers using power in excess of a metered 15-minute demand of 75 kilowatts. . . . (Similar story in Raleigh News and Observer, September 7).

RURAL AREA ELECTRIFICATION PLANS MAPPED BY NEW CO-OP (Andalusia, Ala.; Star, September 14) -- Postwar electrification of rural communities in this section of the state will be greatly helped as a result of the purchase by the Alabama Electric Cooperative (REA), of the properties of the Alabama Water Service Co., according to Basil Thompson, manager of the Cooperative. . . .

The Alabama Electric Cooperative, organized in 1941, with 15 REA-financed cooperatives as members, obtained a loan from REA to finance the purchase and to provide for postwar expenses. . . .

President of the Cooperative, M. A. McWilliams, said today:

"The purchase of these properties gives the REA cooperatives serving South Alabama and Northwest Florida assurance of power at wholesale rates for distribution among rural consumers. The generating plants and transmission lines were acquired for the sole purpose of making it possible for the REA Cooperatives to bring electricity eventually to every one of the 80,000 farms in this area which do not now have service and which may be feasibly served."

"At present, all rate schedules of the Alabama Water Service Co. will be maintained. There will be no increases either wholesale or retail. The existing properties will be fully repaired as soon as materials are available." (Other comments on transaction appear in editorial section of the Star and in news section of Covington News, another Andalusia weekly).

REMEMBER "ELECTRIC REBELLION" OF '41? (Edwin Kemp in Philadelphia Record, September 13) -- Big Spring's "electric rebellion" epitomizes the Pennsylvania farmers' fight for rural electricity. Power companies learned an impressive lesson from their defeat in that engagement in Cumberland county in 1941.

They learned that where they refused to supply legitimate demand for country high-line service, farmers would supply it themselves by building and operating local power systems of their own -- as 35,575 of them in this state already have done. . . . (The story then relates the farmers' successful struggle with Pennsyl-

vania Power and Light Co. in which they forced the utility to cease building "spite lines" to combat the newly-formed REA cooperative in 1941).

PUC TO DECIDE ITS POWERS TO LIMIT REA RATES (Rocky Mountain News, September 9) -- The long-argued question, "Is a federal Rural Electrification Association a public utility and subject to state regulation?" may be decided at a forthcoming Public Utilities Commission hearing. Non-member users of an REA cooperative say they have been charged "discriminatory" rates, and have asked PUC to intervene. . . .

ITEMS OF INTEREST TO THE STAFF

The Congressional Record, September 11, contains an account of the debate on H.R. 4278 which would "facilitate the operation of the Rural Electrification Administration" and other agencies. Rep. Rankin of Mississippi declared that the bill "should become law as soon as possible so that work on these REA lines may begin as soon as materials are available."

Wickard Seeks Farmers' Votes -- New York Herald Tribune, September 9 -- Speaking at Chicago political conference, Secretary Wickard compares rural electrification achievement of his party with record that another party might have compiled.

Plaque Given 18-Year Old Farm Boy in Westinghouse - 4-H Club Rural Electrification Contest -- Corpus Christi, Tex., Callbr, September 9.

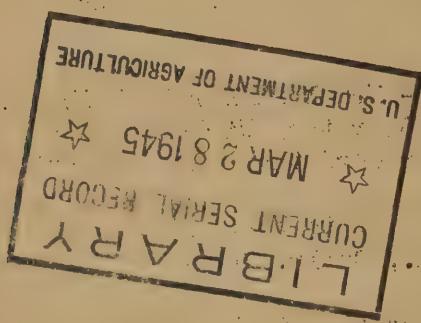
REA Demonstrates Value of Cooperation in Rural America -- Franklin P. Wood in Colorado University Alumnus Magazine, September.

REA Convenes on Wednesday -- Des Moines Register, September 17 -- Lists speakers for Iowa Rural Electric Cooperatives Association convention: Administrator Slattery, Deputy Administrator Neal, E. J. Stoneman, Earl F. Wisdom, Allen Kline and R. K. Bliss.

Rural Electrification -- editorial, Raleigh, N. C., News and Observer, September 18 -- Cites item in Waynesville Mountaineer congratulating Haywood Electric Membership Corporation.

Our Electrifying Tomorrow -- Post-Dispatch, September 23 -- Reprint of Administrator Slattery's article in Hygeia, publication of the American Medical Association.

Since the September 15 issue of The Press Digest, 11 clippings concerning the alleged "political domination" of the agency have been received.



REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA

Monday, October 16, 1944

WICKARD OUTLINES PLAN FOR REA COSTING 585 MILLION (Napoleon, Ohio, AP story in Post-Dispatch, complete edition, October 9) -- A proposed 585-million-dollar expansion of rural electrification facilities, in which "our entire nation has a deep and vital interest" was outlined to officials of Ohio's 28 rural electric cooperatives by Secretary of Agriculture Wickard Friday

Wickard said the proposed expansion program "would provide more than 600,000 man-years of work, including local construction, the mining, manufacturing, and processing of materials for the lines, and equipment for installation on consumers' premises. . . .

The meeting is the first addressed by Wickard in a nation-wide tour of the REA cooperatives. He is accompanied by REA Deputy Administrator William J. Neal of St. Louis. . . .

REA IS TOLD POSTWAR PLAN (Des Moines Tribune, September 21) -- Every farm home in the United States will be able to have electric power a short time after the war ends, Harry Slattery, administrator of the Rural Electrification Administration, told delegates to the third annual meeting of the Iowa Rural Electric Cooperatives Association Thursday. . . .

Slattery told the 350 delegates a committee was set up two years ago to give consideration to a postwar program.

"In the post Civil War days it was the transcontinental railroads and construction of canals and roads that took up the unemployment sag of the men who came from the battlefields and after this war the REA will play an important part in taking up this sag."

E. J. Stoneman, president of the NRECA, told the convention that he believed appropriations for REA work will probably be considerably larger during the postwar period.

REA PLANS FOR THE FUTURE (editorial, Milwaukee Journal, September 28) -- A recent check of REA operations to date showed that only 9 of 812 cooperatives were in financial trouble. Millions of dollars had been repaid to the government in advance of the time due. And, aroused to action by the REA, private utilities had electrified as many farms as the cooperatives had. Today about 42% of American farms have electrical power.

Private utilities have not suffered from REA undertakings. And rural America has benefited. REA deserves the support it is getting from the American people through Congress. It should have a useful postwar future.

ILLINOIS BOARD'S REFUSAL TO ADMIT REA UNIT TO HEARING CRITICIZED (A. E. Becker in Post-Dispatch, complete edition, October 9) -- It appears that the Illinois State Commerce Commission, in its order barring a Rural Electrification Administration cooperative from a commission hearing on an Illinois Power Company application for a permit to build rural power lines in the cooperative's territory, leans toward a policy which may impede the future progress of rural electrification in Illinois.

The Commission's order is reported by the Associated Press to have said that "the Illini Electric Cooperative and other electric cooperatives have not complied with Commission rules." This statement is open to a damaging and unfair interpretation. Non-profit cooperatives, which serve only their own members, are not and should not legally be subjected to the kind of control which the commission properly exercises over companies operating for profit and serving the general public. . . .

If the present State Commerce Commission accepts at face value the contentions of the Illinois Power Company in the territorial dispute, its thinking will run strangely counter to that expressed by the State Rural Electrification Committee of Illinois in a bulletin issued in December 1937. The bulletin said in part: "In analyzing the activities of the REA in the last three years, it must be recognized that it has, among other things, injected an entirely new element into the field of rural electrification -- the element of competition

"Activity in competitive areas has been shown by the Illinois Iowa Power Company. . . . This company's construction in rural areas has not been evenly spread over its extensive territory Sudden building activity in St. Clair and Morgan counties, for instance, prevented the organization of proposed cooperatives in those counties.

"More recently the company has been particularly active in its Champaign area, where organization of an REA cooperative was recently completed. Champaign County farmers, after waiting for years for company service, have decided that their area can only be electrified through cooperative development. Further attempts by a public utility to interfere with this decision must certainly be deplored. . . .

"Utility companies might as well lock the barn door before the horse is stolen!"

PHONES FOR FARMERS (column by Lowell Mellett, Post-Dispatch, September 30) --
The American telephone system is the most extensive in the world and the most efficient But farmers have fewer telephones than automobiles, radios or lights. The explanation is a little difficult to arrive at. Apparently it is due to the fact that small rural exchanges, mostly cooperatives, cannot be made to fit economically into the vast network of the present national telephone system

Yet surely something can be done and maybe REA has shown the way. It hasn't been so long since it was taken for granted that farmers couldn't have electricity, but now 38 per cent of all American farms have been electrified, 28 per cent of them in the last ten years thanks to REA

The problem of rural telephones can be solved. A half-century ago, the Government made a radical departure in postal service by introducing rural free delivery. Ten years ago it moved in to meet the farmers' need for electricity. Both these operations are now accepted as a matter of course. The same probably would be true if the Government were to lend a hand toward ending the farmers' telephonic isolation

WAR SURPLUS PROPERTY BILL NOW IN COMMITTEE (Electrical World, September 9) --
The Senate bill also contains a provision that surplus property which can be utilized by a Government agency must be transferred to such agency. This would send much power equipment to such agencies as the TVA, SPA, and Bonneville. An Agriculture Department spokesman, however, indicated that there is considerable question as to whether such property could be transferred to the Rural Electrification Administration to be held until co-ops could organize to buy it from REA

REA NOW SERVES OVER 60,000 IOWA FARMS (Des Moines Tribune, September 20) -- Postwar plans to install 5900 more miles of electric lines to serve 85,000 more Iowa farmers were discussed at the opening session Wednesday of the Iowa Rural Electric Cooperative Association two-day annual meeting. . . .

"The REA now serves over 60,000 farm homes in Iowa that are producing food for the war effort", O. J. Grau, president of the association, said "Farmers have never before had anything that they appreciated more than the REA program." . . .

Out of the 52 rural electric cooperatives in the state, 51 are members of the association. . . .

Harry Slattery, REA administrator, and William J. Neal, REA deputy administrator, will both address the meeting. . . .

(Editor's Note: The Register of September 22 carried another story on the meeting in which Earl F. Wisecarver, association attorney, was quoted as "lashing back at critics of the cooperative idea in general and the rural electric cooperatives in particular." In the September 21st Register, Mr. Grau is quoted as predicting that "Iowa rural electric cooperatives should be able to provide employment for more than 2500 men for a six-month period during the first year following the end of the war.")

REA PROGRESS IS DISCUSSED (Milwaukee Journal, September 18) -- Electrifying rural homes will provide "great opportunities for employment in the reconversion period," about 60 field workers of the Rural Electrification Administration were told Monday at a regional staff conference at the Wisconsin Hotel. The group was headed by Deputy Administrator Vincent D. Nicholson of Washington.

"The postwar expansion of rural electrification must go forward on a basis that will bring electricity most quickly and most cheaply to the largest possible number of people," Deputy Administrator William J. Neal of St. Louis declared. . . .

REA TO SERVE 46,660 NEW UNITS (Louisville Courier-Journal, October 1) -- Kentucky's REA-financed electric cooperatives will launch a \$24,000,000 power line construction program to extend service to 46,600 new consumers on a self-liquidating basis as soon as wartime restrictions are lifted. H. Curtis Brown, Brandenburg, president of the Kentucky Rural Electric Cooperative Corporation, announced yesterday. Brown also announced that Secretary of Agriculture Claude R. Wickard would address a meeting of managers and officers of the REA cooperatives of Kentucky at a postwar planning conference in Louisville, October 9.

REA PROGRAM SEEN SPURRED AFTER WAR ENDS (Charlottesville, Va., AP dispatch in Washington Post, October 1) -- Rural Electrification Administration officials from 13 Atlantic Seaboard states, who concluded a two-day regional staff conference here today, heard a prediction by Deputy Administrator William J. Neal that rural power line construction would be accelerated in the reconversion period

The REA has approved loans of over 500 million dollars throughout the country but some 105 million dollars has not yet been expended and is awaiting the lifting of restrictions. • • • • •

SUBSTITUTE FOR "HELP" (editorial, Richmond, Va., News-Leader, September 26) -- To electrify more American farms, \$585,000,000 may be advanced by the Federal government in the next few years. At least, that is the information of William J. Neal, deputy administrator of REA, who passed on the news to officials of the agency at a meeting in Denver yesterday. The sum is vast. Expenditure of it may be in part unnecessary if the power companies of America will extend their service rapidly after the war. If they delay, government must act. Nothing means quite so much to American agriculture now as the spread of a network that will put current within the reach of every progressive farmer. Electricity is his one hopeful substitute for "help around the house." Is Vepco (Virginia Electric Power Co.) ready to do its part in advancing rural electrification?

REA PROGRAM CALLS FOR \$500,000,000 IN NEW FARM SERVICES (Merwin H. Browne in Buffalo Evening Sun, September 26) -- The Rural Electrification Administration is prepared to release a \$500,000,000 flood of orders to the country's electrical construction and equipment industry the moment the WPB declares the materials and manpower available. Behind this is a whole new program for bringing telephones to the nation's farms on much the same basis that the REA has undertaken to supply farms with electricity through cooperatives.

What the total activity of REA in both fields will amount to in the immediate postwar years is not now estimated, but the authorization of the agency has been extended another 10 years by Congress and indications are that Congress will quickly approve authorizations for it to get into the communications field. . . .

POWER FOR THE FARMER (editorial, Denver News, September 27) -- Whether the job of rural electrification in Colorado is done by private enterprise -- which is preferable, to be sure -- or by a federal agency is not a primary concern. What is vital is that bringing light and power and modern conveniences to ranch and farm be considered as an essential part of postwar planning.

Figures brought out by William J. Neal, deputy administrator of the Rural Electrification Administration, during the recent meeting in Denver are eloquent on this point

It is essential that the comforts and conveniences and labor-savers that are available to the city dweller be available to the ranchers and the farmer too. Mr. Neal did useful service in pointing out this need. No matter who does it, it's a job that must be done.

THE REA PROGRAM IS NOT COMPLETED (editorial, Paducah, Ky., Sun-Democrat, September 25) — Great strides have been made in the program to bring electricity to rural areas of America but it is far from being completed. And it is an important program, worthy of full support. . . .

It is true, as the President declared when he approved legislation liberalizing the terms of REA loans, that the REA program is one of the most important in raising the living standards of farm people and providing a more efficient form of farm management.

The program has been interrupted by the war. It stopped the swift march of REA cooperatives to isolated homes, and has interfered with the maintenance of service to some extent. But the time when the restrictions will be relaxed is near. Then one of the nation's best works can go forward again.

VAST POWER LINE NETWORK VISIONED (Memphis Press-Scimitar, September 22) — A vast network of electrical power lines covering the rural South as thoroughly as the RFD mail service today was discussed at the Rural Electrification Administration's concluding session of a regional conference held at the Peabody Hotel.

Officials pointed out that 67 electrification projects in the Tri-States have over \$7,500,000 in approved loans still in the Treasury. Adding \$1,700,000 in advance amortization payments, these groups are ready for tremendous postwar expansion, officials said. . . .

REA FIELD MEN FROM 20 STATES AT SAFETY SCHOOL (Star-Times, September 25) — Safety rules for handling electric wires and equipment are being taught field representatives of the Rural Electrification Administration from 20 states in the REA headquarters. The vocational education representatives are taking a six-day course.

These field workers, when their week's schooling is over, will return to their home stations and give the same courses to construction and line maintenance workers. The week's course includes training in the construction and maintenance of rural power lines.

State training programs are directed by state vocational education boards and financed by state-federal vocational educational funds and contributions from REA-financed cooperatives. . . .

OKLAHOMA GETS EDGE IN DENISON POWER DIVISION (Oklahoma City Oklahoman, September 21) Oklahoma will get about 55 per cent of the power output at Denison Dam on the Red River, with Texas getting the remainder, Governor Kerr said Wednesday in Washington after a conference with Interior Department power officials.

Commenting on division of the electrical energy from the big federally-financed project, the governor said allocations would be made on a priority basis with war projects, Rural Electrification Administration systems and municipalities placed ahead of private utilities in the bid for power. . . . Many miles of transmission line must first be constructed, however. . . .

ANALYSIS MADE OF NEW APL RATE SCHEDULE (Arkansas Democrat, Little Rock, September 21) The proposed new rate schedule filed by the Arkansas Power and Light Company with the State Utilities Commission will result in an overall reduction of approximately \$1,075,000 to virtually all consumers of the company, an analysis of the rates revealed today. . . .

A large reduction is noted in the new rate to the 11 REA cooperatives which the APL serves. As an example of the new co-op rates, a reduction of 27.4 per cent in the cost to the First Electric Cooperative, which serves the Jacksonville area, was pointed out. Reductions to other co-ops vary from 23 to 73 per cent.

NEW REA LINES FOR MOUNTAIN AREA ALLOWED (Denver Post, September 25) -- Plans for early resumption of work, as WFB construction restrictions are lifted on REA projects for which 6 million dollars already has been approved for Colorado, Wyoming and New Mexico, were being discussed Monday in Denver at a regional conference of REA officials and field men from eleven western states. . . .

Deputy Administrator William J. Neal of REA in St. Louis pointed out that resumption of work before the war ends is part of an overall plan to provide jobs.

"Every dollar spent on a rural electrification line is instantly matched again by another dollar spent by the consumer, and is matched again by another dollar in the next five years," he said

EXPAND THE REA (editorial, Sacramento Bee, September 22) -- Residents of California rural areas will be interested in a proposed additional congressional grant of \$700,000,000, to finance postwar rural electrification projects.

REA should be given whatever funds it needs to continue to expand its public ownership program.

ITEMS OF INTEREST TO THE STAFF

Rural Electrification is the fourth subject in a series of monthly essay contests being sponsored by the magazine "Progress Guide." Essays of 2500 words or less will be judged for a prize of \$50 and for a grand prize of \$250.

The Theory of an "Electro-Economy for Agriculture -- Daniel W. Teare, in Agricultural Engineering, September.

Electricity in Four of Ten Farm Homes -- Prairie Farmer, September 30.

They Take To Electricity Like a Duck to Water -- Harold Hungerford in Agricultural Leaders' Digest, September -- Vocational agricultural instructor in Illinois high school says that teachers of his subject have found it necessary to include a unit of electricity in their farm shop courses.

Electricity on the Farm -- Columbia, S. C., State editorial reprinted in Post-Dispatch, October 2.

Gospel of Scarcity -- editorial, Rockford, Ill., Star, September 24 -- Takes issue with Secretary Wickard's speech at Neillsville, Wisconsin.

Rural Electrification -- editorial, Atlanta Journal, September 23 -- Commends President for signing bill continuing REA.

Plan 220 Miles of Power Lines in 3 Ohio Counties -- Wheeling, W. Va., Intelligencer, September 25.

New Power Line Wins a Patent -- New York Times, September 30 -- New type of rural transmission wire avoids possible breakage because of wind or ice.

Rural Electrification -- Town Talk, Alexandria, La., September 18 -- Foresees big expansion in rural electrification in state after war.

Proposed Appropriation for REA Holds a Promise for Rural Areas -- editorial, Fresno Bee, September 14.

Farmers Want New Electric Equipment -- Cedar Rapids Gazette, September 21.

Agriculture Department is planning a large expansion for Rural Electrification Administration as soon as materials are released to build power lines. It's now estimated that the REA staff will double within a year. Moreover, Agriculture hopes

"...to get REA moved back here from St. Louis." -- Jerry Kluttz, Washington Post, September 28.

Approximately thirty newspaper clippings about the REA regional conferences throughout the country have been received.

Survey Shows Postwar Call on Rural Electric Equipment -- Council Bluffs, Iowa, Nonpareil.

A Market Discovered -- Editorial, Hutchinson, Kansas, News, September 26 -- Electrical appliances manufacturers estimate they can sell \$2½ billion worth of electrical devices to farmers within 18 months after the end of the war.

Federal River Control Is Not New -- Letter to editor of Post-Dispatch, October 6, by Benton Mackaye.

Ceremonies at Nichols Ranch Mark Energizing REA Line (Wyoming 23) -- Cody, Wyo., Enterprise, September 23.

Rural Electrification in Wisconsin -- The Western Builder, October 5.

New REA Unit in Grant and Stanton Counties -- Hutchinson, Kansas, News-Herald, October 1 -- Pioneer Cooperative Association being organized to take over power lines and property of Highland Utilities Company.

REA Engineer Sees Great Chain of MVA Lakes Creating Jobs, New Wealth and Scenic Beauty -- Letter by Franklin P. Wood to editor of Star-Times, October 2 (also October 11).

They'll Buy New Refrigerators -- Wallace's Farmer and Iowa Homestead, October 7 -- Iowa REA families have big postwar buying program ready for electrical equipment, according to survey made by Iowa REA Association committee and reported at convention September 20.

Since the September 30 issue of the Press Digest, six clippings concerning the alleged "political domination" of the agency have been received.

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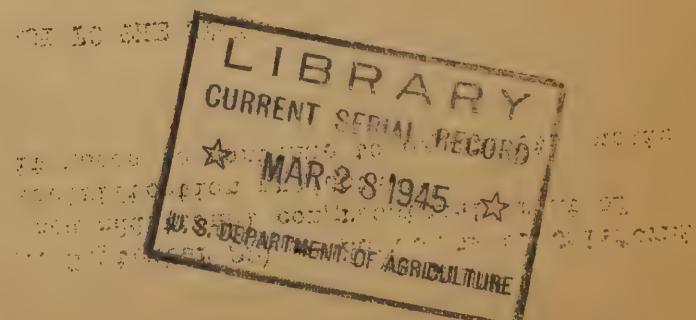
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REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA
Tuesday, October 31, 1944

WICKARD SAYS REA HELPS ALL; ADVISES FARMERS NOT TO ACCEPT UTILITY SERVICE IN RICH AREAS (Louisville Courier-Journal, October 10) -- No one should be permitted to build electric power lines for "cream skimming" of profits, but efforts should be made to bring electric power to all farms, Secretary of Agriculture Claude R. Wickard yesterday told representatives of the Kentucky Rural Electric Cooperative Corporation at a meeting at Kentucky Hotel.

"It is well known that surveys are being made by utilities for the purpose of erecting lines in lucrative territories," Wickard said.

"I know very well how happy the farm people in these territories are because of their long desire for central station service. But I also know that those farm families are too neighborly and too unselfish to deprive their neighbors of anything which they want and need themselves.

"But unless you and I and everyone interested in the welfare of rural people present the real situation to them they will never realize that their obtaining of electricity may be at the cost of denying someone else the same privilege." . . .

MOSES CHARGES REA OFFICIALS WITH MEDDLING; SAYS HE CAN AGREE WITH CO-OPS (Arkansas Gazette, Little Rock, October 19) -- Washington bureaus will not be allowed to take over the power industry in Arkansas without a fight, President C. Hamilton Moses of the Arkansas Power and Light Company said from the witness stand at the state Utilities Commission hearing on allocation of territory for rural electrical expansions yesterday.

Answering the threat of the Rural Electrification Administration, which sent six executives to Little Rock to induce state electrical cooperatives to contest the A.P. & L. applications for territory, Mr. Moses said, "The government's willingness to socialize our industries and take over our business has influenced the A.P. & L. to extend its rural development program in some sections below the "good business" line in order to eliminate the outstanding threat to our peace and life."

Referring to William J. Neal, acting administrator of REA who, with five other REA executives reached an agreement with the state Electrical Cooperative Corporation for a postwar government loan of \$18,500,000 for construction of rural distribution lines at a special meeting Tuesday night, Mr. Moses told the Utilities Commission, "If the gentlemen from St. Louis would not come down here stirring us up and would only let us alone, we would not have a bit of trouble. The A.P.& L. and the cooperatives can and have been able to sit down at the conference table and divide the territory for the benefit of all. There would be no conflict between the power company and the co-ops if government bureaus would let us alone." . . .

SAYS A. P. & L. BUILDING SPITE LINES IN STATE (Arkansas Gazette, October 20) -- Electric cooperatives of the state do not want to take over cities and industrial areas from the Arkansas Power and Light Company but they are anxious to do a complete job of electrification without being hampered by A.P. & L. "spite lines," T. E. Bostick, vice-president of the Arkansas State Electric Cooperatives, said last night.

Replying to C. Hamilton Moses, A.P. & L. president, who said Wednesday that Washington bureaus would not be allowed to take over the power industry in Arkansas without a fight, Mr. Bostick said his organization was not seeking a fight but he indicated his group intends to stick to its plans.

Mr. Bostick said the state cooperative's plan to extend lines to 55,000 customers was not "too ambitious" as Mr. Moses had termed it. Approximately 173,000 of the state's 216,674 farms (1940 census) are now without electricity, he said.

He charged the A.P.& L. with building "spite lines" into thickly populated areas just to keep the co-ops out and without any idea of giving area coverage . . .

REA PROPOSES 5-YEAR PROGRAM WITH MANY JOBS (Post-Dispatch, October 25) -- A huge reservoir of postwar jobs would be provided by a five-year program of extending electric service to the rural homes not now served and expanding the existing service, the Rural Electrification Administration reported today.

Through its postwar planning committee, the REA . . . estimated the program would provide 2,750,000 man-years of work and would involve expenditures of five-and-a-half billions for construction equipment and appliances . . .

The report assumes that both the REA and private utility concerns would participate in the extension of service to new rural homes. The expenditures for equipment and appliances would go principally to private industry, which would employ labor in the manufacture, distribution and installation . . . (Also, "REA Plans 46½ Million Missouri Program", Star-Times; and "REA Announces 46 Million State Expansion Plan", Globe-Democrat, same date.)

REA PLANS ADDED LINES (D. L. Runnels in Flint, Mich., Journal, October 17) -- High line electric service for nearly every farm may be possible after the war under the government's proposed expansion of its rural electrification program, William J. Neal, deputy Rural Electrification administrator, revealed today at the annual meeting of the Michigan Association of REA Cooperatives . . .

Neal reported that farmers are consuming far more electricity than the Government had anticipated in formulating its rural electrification program. In laying out the lines, Neal said, it was estimated the farms would consume only 60 to 100 kilowatt hours a month but consumption has actually exceeded all pre-construction estimates. In view of farmers' intentions to purchase one billion dollars worth of electrical equipment and household appliances after the war, he said line earnings may be sufficient to warrant spreading the service thinner than two farms per mile.

Neal estimated that the Pace Bill . . . would save Michigan cooperatives more than \$85,000 in interest annually.

On the basis of present WPB thinking, he predicted that restrictions on materials for line extensions and manufacture of electrical equipment would be removed shortly after the end of the European war.

TAXING FARM COOPERATIVES SLAP AT OUR DEMOCRACY (Louis Bromfield in Raleigh, N.C. Times, October 23) -- Recently there has been organized a concerted drive to bring about legislation which would impose on cooperatives the same taxes as those imposed upon corporations . . . The very interests now clamoring for the taxation of cooperatives are largely the forces which brought about their existence . . . The cooperative is one of the finest manifestations of democracy, representing the spontaneous impulse of men in a community or even in a state or a nation to solve their own economic problems, increase their savings and protect themselves against gouging and grossly swollen profits.

YOUNG MAN, BE YOUR OWN BOSS! (Reader's Digest contest, "Ideas for New Enterprises" November issue; entry submitted by Robert H. Reed, editor of "Country Gentleman") -- Rural electrification will be one of the first and greatest afterwar developments: authorities estimate that electric service will be extended to over 5,000,000 new rural customers under proposed state rural electrification programs now contemplated. Blue prints are ready, and the job waits only for men and materials.

About 2,500,000 man-years of labor will be required to install the high lines along country roads; another 500,000 man-years will be required to lead the lines into farm homes and other buildings. Some three and a half billion dollars will be spent in the process, and beyond that are prospective sales of a billion dollars worth of farm and home electrical equipment.

The veteran who has some knowledge of electricity can pioneer in this field, either establishing his own business or working his way into partnership with established businesses that need new blood. There's a whole new world to be built out beyond the city pavements of the 48 states, and who is better equipped to build and

service it than the thousands of rural GI Joes who want to stand on their own feet?

RURAL ELECTRIFICATION DUE FOR CONGRESS OK (Aberdeen, S.D., American-News, October 12) -- There is an excellent prospect that when Congress reconvenes, it will give the green light to a big postwar program for the extension of rural electrification. The platform of both parties support such a program and Congress already has in the hopper two bills for planning and putting it into operation. One bill introduced this summer would direct the Rural Electrification Administration to prepare plans for electrification to the "fullest extent possible" in every section of the country. An appropriation of five million dollars would be authorized for this purpose. The second measure, introduced in September, would earmark 585 million dollars of RE loan funds for use on electrification projects through 1948. . .

Further stimulus to the postwar electrification of rural areas is expected to come from the large-scale regional development projects now being proposed for the Missouri, Arkansas and other important river basins. Control of these waterways would create great resources of electric power. It is significant in this connection that over 22 per cent of pre-war REA expansion took place in the Tennessee Valley under TVA . . .

REA EXPANSION BEING PLANNED (editorial, Owensboro, Ky., Messenger, October 6) -- Plans for expanding the rural electrification program in Kentucky are being shaped toward their being put into effect immediately after the government releases materials essential to the war effort . . . Thousands of farms will be served by the investment of millions of dollars that will be available for the expansion program. The end of the war will find farmers facing a future wherein an expanded REA program will be one of the largest factors . . .

UTILITY FILES PLAN FOR RURAL GROWTH (Allan M. Trout in Louisville Courier-Journal, October 19) -- Spirited competition between privately owned utilities and the Rural Electrification Administration for rural consumers after the war was indicated again today when Kentucky Utilities asked the Public Service Commission for permission to extend existing rural lines 704 miles in 64 Kentucky counties. . . The commission set the petition for public hearing November 22 . . .

The Kentucky Rural Electric Cooperative Corporation recently announced a three-year postwar plan to make KREC power available to 46,000 new customers in Kentucky at an estimated cost of \$24,000,000. . .

Vigorous competition for rural expansion after the war is being planned throughout the nation as well as in Kentucky, it was said by Hugh B. Bearden, consultant to the Public Service Commission.

Privately owned utilities, he explains, have at last juked their old yardstick for rural investment, and are now prepared to spend money with more boldness. By the old yardstick, he adds, utilities would not make rural investments unless revenues would retire construction costs in three years. The amortization period now has been extended to as high as fifteen years . . .

PROMISE FOR BETTER FARM LIFE (editorial, Wichita Falls, Tex., Record News, October 6) -- The federal act known as the Pace Bill has been signed. It has much meaning for more than 100 Texas counties, and almost unlimited promise for better farm and ranch life throughout Texas for the future . . .

Men who disagree with many of the things done by the present national administration will say quite readily that the rural electrification program is the best thing done in the interest of rural life in many a year. . .

One development alone, awaiting the farmer after the war, would justify electricity on the farms. That is the quick-freezing or deep-freezing equipment, by which the producer can save all the meats and vegetables and fruits, the eggs and butter and produce of his farm, safe from spoilage, and ready for use throughout the year, or for marketing when desired.

The REA projects are owned by the farmers themselves and run by them. Texas law provides for creating this type of cooperative corporation, and the individual member's liability is limited to his nominal membership fee, usually \$5, and his

ITEMS OF INTEREST TO THE STAFF

Cherry Promises Aid for Farmers -- Raleigh, N. C., News and Observer, October 13 -- R. Gregg Cherry, gubernatorial nominee, pledges full support to rural electrification in North Carolina.

Licking Valley REA Plans \$207,000 Line -- Louisville Courier-Journal, October 12.

Griswold (Neb. Governor) Urges Unified Action on MVA Issue -- John T. Stewart in Star-Times, October 7 -- Griswold favors Missouri Valley Authority. C. A. Sorenson, attorney for most Nebraska REA co-ops, says: "A Missouri Valley Authority is the next logical step to be taken by the American people and Congress after the success of the Tennessee Valley Authority and the Rural Electrification Administration. MVA embodies the same principles which in TVA and REA have been proved sound and practical."

REA Allots \$414,622 for Virginia Projects -- Richmond Times-Dispatch, October 14.

Wickard in Oklahoma City for Talks; To Speak on WKY Farm Program -- Oklahoma City Oklahoman, October 11.

Delaware To Get \$13,813 To Electrify Farms -- Wilmington News, October 14.

A. L. Weiss To Head REA Insurance Unit -- Globe-Democrat and New York Times, October 25.

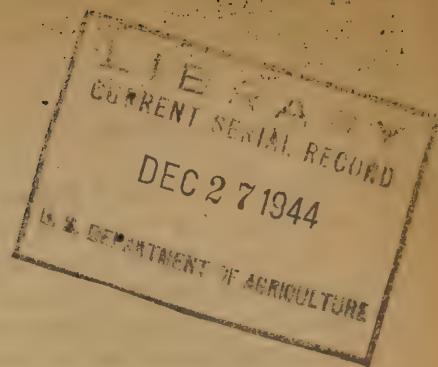
A Drop in the Bucket -- Journal-Every-Eve, Wilmington, Del., October 17 -- Refers to REA allocation of \$13,813 to Delaware for current fiscal year.

REA Hopes For New Construction Soon -- Hutchinson, Kansas, New-Herald, October 13.

Expansion Planned on REA Operations -- Kingsport, Tenn., News, October 16.

Farm Co-op Tax Exemption Hit -- New York Times, October 20 -- National Wholesale Hardware Association claims that farm and consumer co-ops "enjoying freedom from Federal taxes are in active and aggressive competition with tax-paying private industry.

Since the October 16th issue of The Press Digest, six clippings concerning the alleged "political domination" of the agency have been received.



REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Vol. III, No. 9

November 15, 1944

WICKARD SEES REA PROGRAM AS JOB SOURCE (Springfield, Ill. UP story in Star-Times, November 1) -- Postwar plans which will make electricity available to every rural home in the United States and provide more than 600,000 man-years of work were described by Secretary of Agriculture Claude R. Wickard here yesterday at a meeting sponsored by the Association of Illinois Electric Cooperatives.

Wickard visualized for an audience comprised of farm advisers, farm bureau directors, AAA chairmen and committee members and representatives of Illinois REA cooperatives, the extension of electricity to all rural homes in the United States.

He predicted expansion of the Rural Electrification Administration program "which will create thousands of jobs and will take the drudgery out of a farmer's work." He referred to the REA over-all program as "one of the greatest things I can imagine. . . ." (Similar story in Springfield Register, October 31).

86 MILLION REA POSTWAR PLAN IN MISSOURI, ILLINOIS (Post-Dispatch, complete edition, November 8) -- Rural electrification cooperatives and other distributors of rural power in Missouri, Illinois and Arkansas are making plans for an \$86,100,000 post-war construction program to bring 204,700 unserved rural consumers electricity within three years after materials and manpower again become available, according to a report of the Rural Electrification Administration

These plans are part of a proposed national program of REA financing totaling \$579,000,000 which, in turn, is part of a projected five-year program of rural electrification by all agencies, REA-financed and others. REA estimates that the five-year program would bring electric service to 3,655,000 rural establishments and stimulate a total market for goods and services amounting to more than \$5,500,000,000. . . .

"The shifting from a war to a peacetime economy" says the REA report, "will release increasing numbers of men and women from war production and from the armed forces. If we want to avoid large-scale unemployment, we must create as many jobs as possible. The construction of rural power lines, the installation of wiring and plumbing, and the purchase of electric farm and household equipment by new and old consumers will necessitate industrial production" (Accompanying this story is a graph showing the number of rural consumers to be served, the expenditure required for line construction, and the number of man-years of labor needed.)

CO-OP OFFICIAL RAPS POSITION OF PRIVATE FIRM (Arkansas Democrat, Little Rock, October 20) -- Arkansas rural electric cooperatives want no fight with the Arkansas Power and Light Company, but would prefer to work with it in development of the state if APL would only leave the cooperatives free to develop the rural areas which the power company did not want prior to establishment of the REA program, T. E. Bostick, vice-president of the state co-op said.

Emphasizing that the co-ops do not want to take over industrial areas from APL Mr. Bostick added that his group is anxious to do a complete job of rural electrification without being hampered by APL "spite lines."

"First aim of the co-ops' program is to give area coverage to every county and to furnish current to the rural people of Arkansas at a price they can afford to pay, thereby lightening the burden of the farmer and raising his standard of living," Mr. Bostick said.

He recalled a request by the late Harvey C. Couch, former APL president, who asked the REA to loan his firm \$500,000 to extend electric service to every rural person in the state financially able to pay for it. "The loan was made but no

promise was made by REA to stay out of the state. Since then more than \$8,000,000 has been loaned to co-ops of the state to build their own lines to serve approximately 35,000 rural homes and the surface has only been scratched," he continued.

APL AND CO-OPS FAIL TO AGREE (Arkansas Gazette, Little Rock, October 26) -- C. Hamilton Moses, president of the Arkansas Power and Light Company, announced yesterday that the power company and fifteen representatives of Arkansas electric cooperatives failed to reach an agreement following a conference on the utility's proposed new rate schedule.

The state Utilities Commission will resume hearings today on the new rates which would give an annual reduction of \$1,075,000 to Arkansas electric consumers. Hearings were continued from October 11 to give the co-ops time to study the rates and to attempt to reach an agreement with APL. Fifteen co-ops and the War Department have filed interventions. . . .

DENIES REA STAFF BARRED ARKANSAS UTILITY ACCORD (Post-Dispatch, complete edition, November 4) -- T. J. Robertson, president of the Arkansas Statewide association of REA-financed cooperatives, in St. Louis yesterday denied the recent statement of C. Hamilton Moses, president of Arkansas Power and Light Company, that interference by officials of the Rural Electrification Administration hindered any possible settlement between the company and the cooperatives.

He said that Arkansas people run their cooperatives in their own way and that they are grateful for the help the REA staff is able to give them.

A rate compromise approved this week by the State Utilities Commission, Robertson said, should make it possible for the cooperatives and the utility company to work out an agreement on disputed territory if the power company will give area coverage in its sections

Robertson said that he did not feel the cooperatives are in competition with the utility company and that they simply want to develop unserved rural areas and get service to the people of the state.

"We are on the right road," he went on, "and I feel now that a satisfactory agreement can be worked out between all parties. Things are in better shape than they have been in a number of years and the job of rural electrification can be done without serious controversy."

OFF THE RECORD. (column by C. F. Byrns, Southwest American, Fort Smith, Ark., November 1) -- Electricity available to every farm in Arkansas is yet a long way down the years, but electricity for a great many more farms is an immediate post-war possibility.

The Arkansas Power and Light Company and the rural electric cooperatives have been staging a controversy before the Arkansas Public Utilities Department lately about allocation of territory for postwar rural electric lines. The fact that they regard it as worth fighting over is most encouraging. The fact that they have reached an agreement is much more encouraging. The figures they use in their predictions of postwar construction are hard to believe but delightful to contemplate.

WHO WILL GET SURPLUS WAR PLANT POWER CAPACITY ("Washington Comment" by R. N. Larkin, Electrical World, October 28) — Despite the broad provisions of the act directing the exchange of surplus property between federal agencies, REA, by its own admission, is not eligible to a priority on the purchase of generating capacity — or other surplus electrical equipment — because it, as a banking agency, cannot use it as could the Interior Department or TVA, which operate power systems. Nor are REA co-ops given any special privileges under the act. . . .

As long as existing conditions obtain, REA co-ops do not appear to be heavy purchasers of surplus generating capacity. Up to the present about 90 per cent of all energy sold by co-ops is purchased from non-co-op generating sources. Reliable sources say that REA has no intention of breaking this general pattern merely because there will become available a number of surplus generating units

of the size which might prove interesting to co-ops. If this surplus equipment is to be disposed of for a song and it becomes apparent that co-ops could generate their own power at appreciable savings, then REA will change its procedure and co-op generating will be encouraged, these sources say. But no such change is anticipated unless the savings from self-generating are "appreciable"

CO-OPS AS UTILITIES (Editorial, Electrical World, October 28) -- In Illinois rural electric co-ops are now held to be public utilities if they supply service to the public regardless of whether or not they recognize the jurisdiction of the Illinois Commerce Commission. It is difficult to see why co-ops object so to coming under state regulation when they go outside their membership for customers.

If a co-op objects to coming under state regulation it loses certain things such as the right to intervene in the parcelling out of territory where the commission has jurisdiction over the issuance of certificates of necessity. Unless it complies with state rules it has no leg to stand on in case of injury from structures as the result of storm. Its own members have no way of checking the operation.

No cooperative that is operating fairly and wants to do a good job has anything to lose by coming under state regulation. It can have no objection to fair rates or proper accounting. If this be true we are led to believe that those who object have perhaps something to protect or to hide, such as unfair rates to the non-members.

One by one the state commissions are taking a stand on this matter. The co-ops must understand sooner or later that they are private bodies and that they cannot escape regulation if they go outside their own members for customers -- if then.

ILLINOIS REA CO-OPS WILL FIGHT COMMISSION BID FOR JURISDICTION (Post-Dispatch, complete edition, November 3) -- The 37 rural electric cooperatives in Illinois have decided to fight any attempt by the State Commerce Commission to assume jurisdiction over them.

Declaring that REA cooperatives are established "to serve members only", the Association of Illinois Electric Cooperatives resolved yesterday to oppose a Commission interpretation that an REA group operates in effect as a public utility and therefore is subject to commission control. They also protested against the Commission's recent ruling barring a cooperative from a utility hearing.

REA CONTROLLED BY ITS CUSTOMERS (letter from Lester Boys, manager of Shelby Electric Cooperative, to editor of Decatur, Ill., Herald & Review, October 29) -- Your editorial in the October 7 Review regarding the decision of the Illinois Commerce Commission to bar REA cooperatives from their hearing is of special interest to me.

I can readily see how a layman not acquainted with the operations of an REA cooperative or their fundamental set-up could take the attitude of this editorial writer. This editorial states that the Illinois Commerce Commission was set up to regulate power companies delivering utilities service and that the REA cooperative does not obey the Commission rules. . . .

Let it be said here that all REA cooperatives and their engineers are instructed to comply to the minimum standards of the Commerce Commission's code to provide safety. In the construction and operation of its lines there is no occasion for the REA cooperative to be governed otherwise by the Commerce Commission because the operating personnel is directly responsible to the board of directors.

If a customer of an REA cooperative line has a complaint to make and it is unheeded by the personnel, he can readily appeal to one or more of the board of directors which is elected from the membership group annually. If this board of directors yet left unheeded these complaints, the membership could replace the entire board at the annual meeting. . . .

Did you ever hear of the executives of a utility company spending their time for their neighbors without compensation and standing the possibility of being dismissed because rates were too high or service unsatisfactory?

If all the facts were known I can assure you that in two recent issues, one of which was the one mentioned in your editorial, it was not the public that was protected by the Commerce Commission but in these cases it was the utility.

FARMERS WANT ELECTRIC POWER AFTER THE WAR (Roland M. Jones in the New York Times' weekly column "Report From the Nation", October 22) -- Farm communities are beginning to regard as practical possibilities in the not-too-distant future things which a few years ago would have been brushed off as fantastic ideals, or at best remote hopes. Among them are an electric power line and hard roads. The pressure to achieve these objectives will be foremost among farmer demands in the postwar period.

The growth of rural electrification will depend largely on the willingness of farmers to assume debt and pledge themselves to use power in a volume to make such extension feasible. That is going to come easier because of the spadework done by REA during the last decade. . . .

ELECTRICITY PREDICTED FOR ALL COUNTY FARMS (Aberdeen, S. D., American-News, October 21) -- Electricity on every farm in Brown county as a postwar reality was predicted here Thursday by Ralph Rice of St. Louis, regional field representative of the Rural Electrification Administration.

In a plain-spoken address before an enthusiastic, overflow crowd of county farmers, Rice urged immediate formation of a project embracing the entire county for submission to REA authorities for approval as a postwar project. "We have every reason to believe that funds are going to be made available for this work and it is up to you to be ready with your projects," he declared. . . .

Rice attacked the public utilities for their failure to cooperate in the program. He said the utilities were given first opportunity to construct . . . lines (in rural territory) but charged that the public utilities "were more interested in selling paper than kilowatt hours." . . .

Rice said that electric rates on the REA projects in Brown County average one-third of those charged by public utilities. . . .

Accompanying Rice to Aberdeen was H. M. Frederickson, field representative of the St. Louis REA office who is working on projects throughout the eastern part of the state . . .

UTILITY ASKS TO EXTEND POWER LINE (Louisville Courier-Journal, November 1) -- Kentucky Edison Electric Company today based a plea for authority to extend its lines from Frenchburg to Salt Lick on the ground it could thus gain possible connections with Kentucky Utilities lines for emergencies. . . .

Harry Peet, president and general manager of Kentucky Edison, said that his company hoped to serve a possible 70 customers not now receiving electric service along the proposed 4-mile line.

Fleming-Mason Rural Electric Cooperative intervened, pleading that it already had started construction of a substation connection with K. U. at Olympia Springs which could be made available to Kentucky Edison for temporary emergencies. . . .

ELECTRIFICATION OF FARM HOMES TO GAIN MOMENTUM AFTER WAR (Spuds Johnson in Agricultural News Service, University of Florida College of Agriculture, November 9) -- Thousands of Florida farmers are planning to improve their homes and farmsteads after the war, and it is hoped that those who do not yet have it will include electricity in their improvements . . .

In a recent editorial on the subject, the "Florida Grower" made this very pertinent comment:

"It is thought that future electrification of rural American areas will go forward rapidly as a nation-wide postwar project. In this, thousands of Florida farms should benefit. . . Because of tremendous increases in income among Florida agricultural people during the last few years, they will be quick to seek all the conveniences and labor-saving devices which electricity makes possible in farm operation. . . Further modernization of rural life will add contentment. . ."

RURAL ELECTRIFICATION OUTLOOK LOOKS BRIGHT: PURDUE EXPERT EXPECTS BOOM AFTER THE WAR (Louisville Courier-Journal, November 5) -- There will be a lot of new, bright lights shining down on Indiana farms soon after the war, according to a survey being conducted by G. H. Foster, rural electrification specialist at Purdue University.

When pressure of war halted extension of utility lines into rural areas about 70 per cent of farm homes in Indiana had been fortunate enough to have rural electric service installed. Approximately 90 per cent of the farm homes will be served eventually, it is believed. . .

The consensus among Purdue men studying the situation is that if you plan rural construction or plan to add electrical facilities it will be advisable first to check to see if every item necessary to complete the job is available regardless of priorities and if not available, just to invest your cash in War Bonds and wait.

REA PLANS TRAINING FOR FUTURE EMPLOYEES (Knoxville News-Sentinel, October 22) -- REA officials, in anticipation of expanded service after the war, are holding conferences on job training to qualify future employees. Trained workers will be needed both to construct and maintain rural power systems.

WICKARD WILL SPEAK IN AUSTIN (Austin American Statesman, October 22) -- Secretary of Agriculture Claude R. Wickard will come to Austin November 15 to address a state-wide reconversion and postwar conference of rural electrification leaders. . .

Earl J. Stoneman of Wisconsin, president of the National Rural Electric Cooperative Association, will address the annual meeting of the cooperatives of Region 10 on the second day of the two-day conference . . .

MICHIGAN REA SEEKING MORE MONEY (Flint Journal, October 18) -- Michigan's 13 REA cooperatives, concluding their annual meeting today, advised Federal officials from REA headquarters in St. Louis, that their postwar construction and expansion programs will require more money to finance additional generating facilities than for extension of transmission and service lines.

After receiving estimates of expansion costs, Richard Dell, regional head of REA's Applications and Loans Division, announced the proposed projects would require an investment of more than \$5,000,000. . . .

PLAN TO ELECTRIFY MORE FARMS (photograph and caption, Muskegon, Mich., Chronicle, October 26) -- Electricity will be brought to nearly every Michigan farm if the plans formulated by this group, supplemented by the programs of public utilities materialize after the war. Gathered around the table are rural electrification officials from St. Louis, and managers of Michigan REA cooperatives making estimates of the postwar line extension and expansion programs costing more than \$5,000,000. (Editor's Note: REA staff members shown are: Richard Dell, A&L; Karl Crawford, Co-op Op.; Avery R. Colburn, D&C; Robert E. Turner, A&L; and Harry Block, D&C.)

LAKE REGION REA GROUP HAS MEETING (Aberdeen, S. D., American-News, October 29) -- The Lake Region Electric Association will be able to bring electric service to practically every farm in Marshall and Day counties in the immediate postwar period, according to Howard Frederickson, field representative of the Rural Electrification Administration, who spoke to a meeting of the cooperative held in Webster.

Frederickson pointed out that rural electrification is regarded as one of the principal jobs to be done when the victory has been won in Europe, and materials again become available for line construction. . . .

"Passage of the Pace Bill," said Frederickson, "is fully in accord with the fundamental principle of the Rural Electrification Act -- that is, to bring electric service to all farmers." . . .

HEADQUARTERS OF RURAL POWER AT SIKESTON (photographs and caption, Post-Dispatch, complete edition, November 7) -- The headquarters building of the Scott-New Madrid-Mississippi Cooperative at Sikeston, Mo., contains a meeting room which is used by various civic groups in the community. The cooperative is an important influence in affairs of this agricultural section. Manager H. M. Zaricor likes to tell how the cooperative took the lead in improving the section's dairy products through installation of electric milk coolers. The program resulted in installation of coolers by 21 of the 23 farms serving one Sikeston dairy and in delivery of 17 milk

coolers at one time." The town celebrated the event with a banquet. Other REA-financed cooperatives in this area are playing a leading role in the affairs of their agricultural communities. An important phase of this leadership is exhibited in establishment of refrigeration locker plants. The Ozark Electric Cooperative of Mount Vernon, Missouri, helped to organize a refrigeration cooperative to which REA allotted \$28,000 for construction of a new frozen food locker plant.

POSTWAR ARTICLES

Plans Made Here For Expansion of REA Program -- Denver News, October 21.

Postwar Plans for REA In Virginia Are Announced -- Richmond Times-Dispatch, October 27. (Also Washington Evening Star, same date.)

Five Year \$5½ Billion Rural Electrification Plan Proposed by REA -- Wall Street Journal, October 25.

Vast Power Project After War Proposed -- Washington Times-Herald, October 26.

Postwar Program Outlined by REA -- Journal of Commerce, New York, October 25.

2500 Miles Line to Serve 8000, REA Co-op Plan for Michigan -- Kalamazoo Gazette, October 18.

145,887 Oklahoma Farms Without Electricity -- Oklahoma City Oklahoman, October 19.

REA Expansion Program Mapped for Maryland -- Washington Post, October 27.

Electricity for All Farms Goal of Huge Program -- James B. Hutchison of Gannett National Service, in Knickerbocker News, Albany, N. Y., October 27.

Electrification Extension in Delaware Asked -- Journal-Easy-Evening, Wilmington, October 26.

Plan Laid to Electrify 3,655,000 Rural Homes -- Washington AP dispatch in New York Herald Tribune, October 29.

Under the Dome -- column by Betty Bell in Raleigh, N. C., News and Observer, October 29. -- North Carolina's postwar possibilities in rural electrification.

\$20,100,000 REA Plan for Arkansas Set Up -- Arkansas Democrat, Little Rock, October 27.

REA Expansion Program Told -- Spokane Spokesman-Review, October 25.

REA Expansion in Oregon Revealed -- Oregon Journal, Portland, October 25. (Also Portland Oregonian, same date.)

Oklahoma to Share in Postwar Electric Boon -- Oklahoma City Oklahoman, October 29.

Huge Rural Electrification Program Planned for Alabama After War -- Birmingham News-Age-Herald, October 29.

To Extend Electric Service in Delaware -- Wilmington News, October 27.

REA Postwar Plans for Tennessee -- Bascom Timmins in Nashville Tennessean, October 29. (Column entitled "Inside Washington.")

A Five Year Program of Postwar Rural Electrification -- Ned Brooks in "Ohioans in Washington", Columbus Citizen, October 29.

REA Plan Would Aid 24,700 in Nebraska -- Omaha World Herald, October 29.

Verendrye Group To Begin Building More Power Lines -- Minot, N. D., News and Optic Reporter, November 2.

Wickard Urges Expansion of REA Service -- Bloomington, Ill., Pantagraph, November 1.

Indiana REA Directors Hear Claude Wickard -- Indianapolis News, November 2.

Rural Electrification to Provide Many Postwar Jobs -- Springfield, Ill., Register, November 1.

Big REA Plan Set Up for North Dakota -- Bismarck Tribune, November 1.

ITEMS OF INTEREST TO THE STAFF

Rural Electrification -- editorial St. Cloud, Minn. Times, October 19 -- Nothing has done more to lighten work on farm and make living easier than rural electrification.

Material Pinch to Hamper New REA Activity in Kentucky -- Paducah Sun-Democrat, October 16.

REA Announces Indiana Allotment -- Indianapolis Star, October 26.

Electric Co-op Lines Project Pushed -- Eugene, Ore., Register-Guard, October 20 -- George Lewis of REA office in St. Louis, delivers main address at annual meeting of Lane County Electric Cooperative, October 16.

The K. U. As A Campaign Contributor -- editorial, Louisville Courier-Journal, October 29 -- Accuses Kentucky Utilities Company of violating law by publishing advertisement criticizing various government agencies as "socialistic"; claims that advertisement attempts to influence voters in current political campaign, contrary to Kentucky state law.

To Aid Electrification -- Public Utilities Fortnightly, November 9 -- Mexican government will invest \$20,000,000 in cooperation with private enterprise to electrify Mexico. Fifteen years will be required to complete the job, which will require an investment of \$300,000,000.

Farmers' 12 Billion Dollar Cash Could Bring a Gigantic Postwar Buying Spree -- Wall St. Journal, November 2 -- Prospective purchase of electrical equipment and appliances mentioned in "The Impact of the War on the Financial Structure of Agriculture", published by the Bureau of Agricultural Economics.

It Is Pushing Along -- Great Falls, Mont., Tribune, October 28 -- Cites importance of rural electrification to development of Montana.

Buying After War -- Wallace's Farmer, November 4 -- Electrification and modern plumbing rank high on list of farmers postwar plans.

Right Now Dealers Are Selling Electric Water Systems -- Electrical Merchandising, November issue -- REA program mentioned as one of factors stimulating postwar markets for electric water systems.

Power on the Farm -- editorial, Evansville Courier, November 3.

Walkie-Talkie in Peace -- editorial, Atlanta Journal, October 19 -- Points to extension and improvement of rural telephone service as another postwar development.

REA Employees Give \$5166 To War Chest Fund -- Post-Dispatch and Star-Times, Nov. 2.

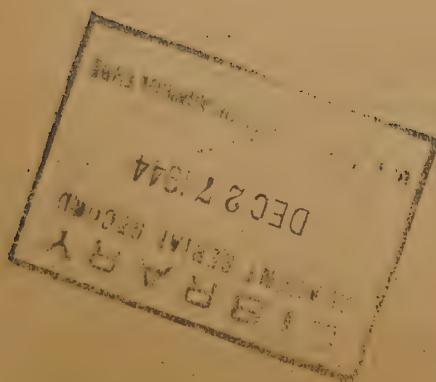
Model for Farm Programs Seen in REA Co-ops -- Post-Dispatch, complete edition, November 7 -- "Public Rural Electrification", new book by Frederick William Muller, Columbia University economist, states that REA co-ops may become a center of widely diversified activities in rural communities.

Rural Phones Plan Proposed -- Minneapolis Tribune, October 29 -- Campaign for rural telephone service has begun in Washington.

Clippings of 24 news articles mentioning rural electrification in connection with the political campaign have been received.

Clippings of 11 news articles concerning the Arkansas Power and Light Company territory allocation hearings have been received.

Since the October 31 issue of The Press Digest, four clippings concerning the alleged "political domination" of the agency have been received.



REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA

Vol. III, No. 10

PAULINE M. WHITLOCK

RECEIVED

FEB 20 1946

November 30, 1944

REA IS Rarin' TO GO! (Deputy Administrator William J. Neal in Successful Farming, November) -- Will the electric lines be extended to your farm after the war? . . . Yes, if you and your family are willing to work to get electricity and if you are willing to use it as a money-making, labor-saving tool. Here's the catch. Electricity must be harnessed to productive farm work. If electricity pays its way on each individual farm, our experience shows that the whole electric line to which the farm is connected will pay its way. But if electricity is used as a luxury, our postwar expansion will not be very large.

The job of bringing electricity to the portion of rural America still unserved is so big that it will require the efforts of many agencies --- farm groups, Government, and the private power companies.

Once there was some hesitancy at extending power lines. It cost too much to build them. The farmer couldn't or wouldn't pay high rates for his power, and the power couldn't be sold at a reasonable price -- or so we were told. Today we know that these reasons, or excuses, no longer represent the true picture. Farm electricity need not be expensive . . .

I look forward to the task ahead as one that will challenge our ingenuity and skills and as a job that we can and will lick. REA hopes to be able to continue to reduce the cost of line construction and to continue to spearhead the way to cheap, dependable electricity for the American farmer.

All three -- REA, the farm groups, and the private utilities -- are making definite and concrete plans for quick action once the manpower and materials can be spared from the war effort. . . .

REA, in short, is rarin' to go.

THE UTILITIES PLAN FARMWARD (C. W. Kellogg, President of Edison Electric Institute, Successful Farming, November) -- Electric utility companies are looking forward to a resumption, as soon as the war situation will permit, of farm line construction and of programs aimed to promote more use of electricity on the farms already connected to rural power lines. They regard farm electrification as one of the important opportunities for expanding and developing their business. . . .

It was 40 years ago that the business-managed utilities started to extend lines into farm territories. . . . It is the firm belief of those connected with the electric utility industry that adequate rural electrification at the least possible cost still presents a challenge to private industry and that we cannot have a prosperous America with a rural population having a standard of living below that of the city . . .

The electric utility companies hope to cooperate with the manufacturers of and dealers in farm machinery, with the various Government agencies, including the Rural Electrification Administration, and with farm organizations whose aim is the accomplishment of a better standard of living on the farm . . . (The companies). . . . long ago accepted the challenge to help electrify rural America and to do it constructively, on the basis of sound engineering and agricultural principles. They are in a mood to redouble their efforts in this direction.

CO-OPS WIN DRAMATIC BATTLE FOR RIGHT TO PURCHASE OHIO UTILITY: FIRST ACTION OF CO-OP AFTER PURCHASE CUTS CONNECTION CHARGE FROM \$300 TO \$5 (The Ohio Cooperator, November 15) -- Three Ohio rural electric cooperatives, after a long and involved battle against New York utility interests, and disbelievers within their own ranks who sought to prevent them, have completed purchase of the Ohio-Midland Power Company. . . . for \$2,115,000.

The cooperatives have elected new directors and cut the "connection charge" from \$300 to \$5 -- membership fee in the co-op.

Far from "blighting" the scene, as utility officials predicted, the co-ops retained the operating personnel of Ohio Midland, re-hired the manager at an increase in salary, and refunded about \$14,000 in old connection overcharges. Another interesting by-product accomplishment was the "selling" of Ohio Senator Robert Taft on the idea of rural cooperative electrification. Taft, former arch-enemy of REA, admitted he was "sold" on the plan after the Ohio cooperators "crashed" his capitol office and explained in detail the values and workings of REA.

Three hundred dollar connection charges are now a thing of the past in South Central Ohio. The new connection charge is \$5 -- membership fee in the co-op.

WICKARD WANTS ELECTRICITY FOR ALL TEXAS HOMES (Austin American, November 16) -- U. S. Secretary of Agriculture Claude R. Wickard told a statewide rural electrification conference in Austin Wednesday that one of the first postwar efforts should be to extend electricity to every farm and ranch home in Texas, and in the nation as a "national responsibility". He addressed about 500 managers and directors of REA projects comprising the Texas Power Reserve, statewide association . . .

"All our plans," Secretary Wickard told the delegates, "must be made on the basis of complete coverage of every area. The time is coming when we are not going to permit large areas to exist where people have to go without electricity. Full coverage of every farm is the very heart of our electrification program" . . .

Speakers on Monday's program included James Salisbury, Jr., E. H. Eardley, Jack Higdon, F. R. Hamlin, and B. W. Chesser, of REA.

WICKARD URGES REMC EXPANSION (Indianapolis Star, November 4) -- The necessity for providing the remaining 30 per cent of Indiana farmers with electric service was emphasized by Secretary of Agriculture Claude R. Wickard in a talk here Thursday.

Mr. Wickard addressed the semi-annual meeting of the board of directors of the Indiana Statewide Rural Electric Cooperative . . . Managers of the 44 rural electric membership corporations serving approximately 70,000 member-consumers in the state, attended the meeting at which plans were formulated for stimulating completion of the program of rural electrification halted by the war.

REA representatives who spoke at the conference included Richard Dell, A&L; Karl B. Crawford, Co-op Operations; A. R. Colburn, D&C; and W. W. Walter, Finance.

FARMERS TO ASK REHEARING FROM ARKANSAS BOARD (Post-Dispatch, complete edition, November 17) -- The struggle between Arkansas rural electric cooperatives and the Arkansas Power and Light Company over division of territory for postwar rural electrification continued today as the Petit-Jean Electric Cooperative at Morrilton prepared to move for a rehearing on an order granted by the State Utilities Commission last week allotting 106 consumers in Conway County to the A. P. & L.

A spokesman for the cooperative said it would contend that the cooperative's rates are more advantageous to consumers, especially those having a low kilowatt hour consumption. It will maintain that the cooperative's policy of building service entrances would save each consumer from \$10 to \$15 on the wiring of his premises.

The cooperatives standards for granting service, the spokesman said, would assure those not now to be served by the utility company that they would be served later as a part of the area coverage plan proposed by the cooperative. . .

J. G. Moore, attorney for the cooperative, said at Morrilton earlier this week that the co-op previously had planned to construct rural electric lines in Conway County and would take whatever legal steps are necessary to contest the State Utilities Commission's order . . .

CO-OP SEEKS TO TAKE APL TERRITORY (Arkansas Gazette, Little Rock, November 15) -- Declaring that the Arkansas Power and Light Company has refused to extend rural lines at the request of prospective customers in Jackson and Independence counties, the Farmers Electric Cooperative Corporation filed application with the state

Utilities Commission yesterday for a certificate to build and operate its own lines.

The co-op, which said it owns and operates 234 miles of rural extensions in Jackson and Woodruff counties, serving 690 consumers under a certificate granted by the Commission in 1937, asks for allocation of territory in Jackson and Independence counties granted to AFL in 1937. . . .

ARKANSAS REA CO-OPS CONTINUE TERRITORIAL BIDS (Post-Dispatch, complete edition, November 25) -- Arkansas rural electric cooperatives and the Arkansas Power and Light Company will continue their struggle over division of rural areas for post-war farm electrification in three hearings before the State Utilities Commission during the first two weeks of December. . . .

The fight between the utility company and the cooperatives to determine who will serve rural areas of Arkansas broke out last month before the Utilities Commission. The cooperatives maintain that they can serve more consumers in a given area because they operate on an area coverage basis

ARKANSAS HOLDS ARK-LA CO-OP IS PUBLIC UTILITY (Post-Dispatch, complete edition, November 25) --- (AP) - The Ark-La Electric Cooperative, Inc., is a public utility and subject to regulations of the Arkansas Department of Public Utilities, the State Utilities Commission ruled today, ending a dispute that has been pending before the commission since December 7, 1943. Chairman Marvin Hathcoat dissented in the majority opinion issued by Commissioners A. B. Hill and Joseph Morrison.

Ark-La serves only one customer in Arkansas at the present time, the Defense Plant Corporation's alumina plant near Hot Springs,

FEDERAL PROJECTS, COOPERATIVES HELD THREAT TO UTILITIES (Shelly Pierce in Journal of Commerce, New York City, November 20) -- The steady expansion of cooperatives and Government projects in the utility field, with their large measure of tax exemption, are offering an increasing menace to the electric utility industry, a survey of industry opinion indicated over the weekend.

With the industry's future seen at stake unless competition is placed on a more even basis, utility executives put high on the list of postwar tax measures for utilities a proposal that all cooperatives and Government projects be subjected to substantial taxation Some of the REA-financed cooperatives are developing ambitious postwar plans

There is also a continued acquisition of private utilities by cooperatives. . . . Utility company officials complain that cooperatives are in a position to outbid private companies in the buying of properties put up for sale by concerns seeking to comply with the provisions of the Public Utility Holding Company Act. They point out that in accord with the prudent investment doctrine, a utility cannot bid more than original cost, less depreciation, for a property. The cooperative, unhampered by such a restriction, can enter a bid slightly higher than that of the private company and obtain the property.

Another complaint voiced against the REA is that the cooperative which it finances not only enjoy a substantial tax exemption but that they can borrow money at low rates of interest and the amount so obtained can equal 100 per cent of the total investment made. . . .

FOOTHILL ELECTRIC ISSUE IS FOR THE PEOPLE TO DECIDE (Fresno, Calif., Bee, November 13, editorial) -- Residents of a Fresno County area long deprived of electric service will decide whether to ratify the rejection of a proffered \$260,000 Rural Electrification Administration project by Foothill Electric Association.

Their decision, tentatively scheduled to be made in a mailed ballot election, likewise will determine whether directors of the cooperative acted in accordance with the desires of association members by virtually accepting a Pacific Gas and Electric Company offer to build a transmission line. . . .

As was pointed out in Fresno last week by B. W. Chesson, an REA regional official, "These people tried fruitlessly for years to get the power, and when the REA offered to finance them, the Pacific Gas and Electric Company obviously became

interested. I feel like REA has been used merely as a tool . . . The people have been confused by a bombardment of propaganda. After the PG&E came into the picture at the eleventh hour, the board suddenly about-faced and ceased to be interested in what REA had to offer."

"Why? That will be up to the people of the district to answer when the directors' action goes to them for approval or rejection."

FAMILY FARM VITAL TO NATION, WICKARD SAYS (Denver AP dispatch in Woonsocket, R. I., Call, November 21) -- Agriculture Secretary Claude R. Wickard declared today the family-size farm "must remain one of the chief foundation stones" of the American way of life after the war, in a speech prepared for the 39th annual convention of the National Farmers' Union . . .

Cooperatives, including those dealing with rural electrification, "can do the most to enable operators of family-sized units to meet large-scale competition on its own grounds and yet preserve their independence", Wickard declared.

ELECTRIC CO-OPS PAY \$6,073,000 OF LOAN (St. Paul Pioneer Press, November 15) -- Rural electric cooperatives -- a government-financed means of bringing power and light to farm homes -- have paid back \$6,073,806 of the \$23,679,610 loaned in Minnesota and the Dakotas, delegates from the three states were told Tuesday at a district meeting in the Hotel Lowery.

Harry Edmunds, president of the Anoka County Electric Cooperative and district director in the NRECA, announced that \$1,650,000 of the amount paid back was remitted to the REA before it was due.

"We are very proud of these figures," Edmunds said. "A lot of people still seem to have the feeling that REA is some kind of grant or dole. It is exactly the contrary, a strictly business proposition between a government agency and the cooperatives, and, far from being in the red, we are away ahead of schedule in our repayments."

KENTUCKY CO-OP OFFERS SUBSTITUTE TO UTILITY PLAN (Louisville Times, November 14) -- A 3-year postwar rural electrification expansion program to serve more than 46,600 new consumers and cost \$15,500,000 was proposed by the Kentucky Rural Electric Cooperative Corporation as managers and representatives of twenty-five rural electric cooperatives met yesterday at the Kentucky Hotel to map a substitute program for that proposed by the Kentucky Utilities Company.

Attacking the Kentucky Utilities' application now pending before the Public Service Commission to build 704 miles of power lines in 63 counties, President H. Curtis Brown described the application as a "piecemeal program which would make complete coverage of rural areas impossible."

"It is obvious," Brown declared, "that the Kentucky Utilities is attempting to grab off the more populous unelectrified communities in those sixty-four communities, and thus prevent the formation of economically sound rural electric systems which would serve the less thinly-settled communities as well." . . .

As an alternate the 25 cooperatives will present a program based on area coverage. . .

ARKANSAN JOINS REA HEADQUARTERS AS HEAD OF OPERATIONS DIVISION (Post-Dispatch, complete edition, November 17) -- T. J. Robertson of Jonesboro, Ark.; president of the Arkansas state-wide association of rural electric cooperatives, has been made chief of the Cooperatives Operations Division of the Rural Electrification Administration, assuming his new duties yesterday.

Robertson will have responsibility for REA supervision of the operations of some 800 REA-financed cooperatives throughout the country. The position is one of the four or five most important jobs in the organization. The person filling it can largely determine the financial success or failure of the rural electrification program, since he guides farmer-owned groups in the technical operation of their electric systems.

Robertson succeeds W. E. Herring, who has served as chief of the division since the summer of 1942. Herring will continue as special consultant, especially in REA activities in the Tennessee Valley. He has been a member of the staff since the earliest days of the organization.

The new operations chief has been a director of the National Rural Electric Cooperative Association. . .

Early this month he defended the REA staff's activities in Arkansas. He denied a charge by G. Hamilton Moses, president of the Arkansas Power and Light Company to the effect that interference by REA officials hindered any possible settlement of disputes between the state's cooperatives and the utility. . .

Before entering REA work he had 13 years of experience in electrical and construction work, including several years with utility companies in the Gulf Southwest. . .

FARMER MAKES REA HOTBED PAY DIVIDENDS (Kansas City Call, November 10) (Negro) -- REA power means more than electric lights, radio, fan and electric refrigeration to Mr. and Mrs. Bert Eird, cooperators of the U. S. Department of Agriculture's Rural Electrification Administration.

To this colored farm family it also means an extra hand these days, when labor is unusually scarce, and a better hot-bed for their vegetable plant business.

The Eirds . . . grow vegetables and flower plants as an important source of extra farm income. He and Mrs. Eird were getting old and their two sons were in the Army, so he thought there must be some easier way to handle the hot-bed. . . The manager of the local REA cooperative advised him to electrify it. . .

With the extra electricity costing them only \$23.77 for the growing season this year and with the seeds costing only \$24, they netted more than \$250 off their plants last spring. (Also in the Houston Informer, November 11, and Atlanta Daily World, November 17).

RURAL POWER LINES (editorial, Miami News, November 7) -- The postwar period will see a vast extension of power lines to rural America. The thousands of unserved farms will be served. Whatever the political complexion of the administration at Washington in the next decade, rural electrification will proceed. Electricity on the farm is an economic must. . .

This low rate of interest (authorized for REA loans by the Pace Bill) has been and will be criticized. But the criticism will not stand analysis. Country banks cannot stand the risk of making such loans and the higher rates they demand cannot be met by farm organizations. REA financing has been branded as competition by the Government with private industry. Theoretically that may be a true statement. From the practical standpoint it fails to hold water.

Government financing of large scale improvements such as rural electrification are justified on the theory that a democratic government acts for the good of the majority. Whatever government can do to bring farm and city closer together is an act in the public interest. This country has been divided between rural and urban too long. . .

An electrified nation will serve to bring farmer and urban dweller closer together in a spirit of understanding which will solidify the national thought and effort.

PROPOSES DRIVE FOR BETTER FARM ELECTRIC WIRING (Kalamazoo Gazette, November 9) -- Kenneth Ross, Chicago, General Electric engineer, has appealed to the managers of Michigan's 13 REA cooperatives to launch a crusade in favor of adequate wiring of farm buildings.

He said many persons seem to feel that anyone can wire a building -- and they can -- but he warned that it takes electricians to do the job properly . . .

Ross declared that only a fraction of the 2,500,000 American farms connected for electricity can be truly considered electrified. He said it takes more than electric lights in the home and barn to make a farm electrified.

The REA managers were urged to give more consideration to load building, ex-

plaining that it is the lifeblood of rural electrification . . . (Similar story in Saginaw News, November 10).

A READY PLAN (Great Falls, Mont., Tribune, November 8) -- If all of the postwar plans were in as dependable shape as those looking toward rural electrification, there would not be any trouble about supplying employment to returning soldiers . . .

These rural electrification enterprises pay for themselves and support themselves. More than \$5,000,000 will go into the postwar expansion program for Montana.

Rural electrification abundantly stands upon its own merit in finances and service.

TO STUDY RURAL ELECTRIFICATION (Athens, Ga., AP dispatch in Atlanta Constitution, November 15) -- Research on rural electrification, development of labor-saving machinery . . . are among the postwar expansion plans of the Georgia College of Agriculture. Dean Paul W. Chapman estimated that 1,000 students will seek degrees every year at the school when the war is over.

LACLEDE CO-OP NOW BUYING ELECTRIC POWER FROM SHO-ME (Laclede County Record, Lebanon, Mo., November 24) -- The Laclede Electric Cooperative this month began the purchase of electric energy from the Sho-Me Cooperative at Marshfield. Since its inception in March, 1940, the cooperative had bought current from the city of Lebanon.

The change in power sources, it was indicated, was brought about by the high cost of electric power.

Mayor Frank Ashmore pointed to the manner in which the local co-op has been treated as a contributing factor to their finding another power source. It has been the policy of the city, in case of trouble at the power house, to cut the REA lines off first. REA also was the last to go back on the lines after the trouble had been corrected, he said. Even so, the cooperative, the largest city consumer, was charged a higher rate than some industrial users. . . .

NINE PIGS PLUS PER LITTER (E. L. Quaife, Iowa State College, in Capper's Farmer, December) -- From 14 sows, Val Racek matured 132 market hogs to $5\frac{1}{2}$ months. That's an average of 9.4 raised per litter, compared with the spring average of 5.5 pigs saved. His record was no accident. It involved more than luck. Results were assured by the system of pork making he adopted and by the painstaking adaptations worked out for his farm conditions in Story County, Iowa

Perhaps one of the pieces of equipment which contributed more than any other to saving a high percentage of pigs was the electric brooder. "After putting the pigs in the brooder once or twice they learned to seek the heat and the job of caring for them was pretty well over," he said. . . .

THE FUTURE'S UP TO US (Dr. F. A. McCray in Southern Agriculturist, November issue) -- Since every phase of our economic life has been changed by military necessity, the farmer, like everybody else, wonders what the future has in store for him. Will there be markets for his products at fair prices? What enterprises will be most profitable? And what security will be afforded the young man who makes farming his vocation?

Manpower shortages and other wartime necessities have hastened some changes, and with these we are already familiar. New electric lines have been built and farms powered with electric motors to keep up farm production. Equipment companies are ready with other labor-saving devices for the small farm. This offers an opportunity to develop a more efficient and more diversified type of agriculture. Farms have been mechanized. . . . These things are straws in the wind. . . .

POWER CLUB TOPICS COVER MANY FIELDS (Electrical World, November 18) -- Superfarm operation (and other subjects) were covered in the meeting of the Interstate Power Club in New York, November 13.

A farm with a power demand of 3500 kw., probably over 5,000 kw. soon, with a connected load of 14,000 hp. in 1,000 motors, was described by B. L. England,

Atlantic City Electric Company. This superfarm in southern New Jersey contains 30,000 acres, uses power for refrigeration and quick freezing, for irrigation, for dehydration and for many other operations and consumes around 15 million kwh annually. There will be more such operations after the war, opined Mr. England, and he advised his power salesman hearers to get an education in quick freezing as fast as they could. . .

POSTWAR ARTICLES

Electric Power for Many Farms - Lexington, Ky., Herald, November 6.

Power Planned for 157,000 Texas Homes -- Dallas Times-Herald, November 5.

Nevada's Share of Rural Electric Program Put At \$225,000 -- Reno Gazette, Oct. 30

Five Midwest States Plan Large REA Program -- Midwest Contractor, November 15.

REA Has Three-Year Postwar Program -- Construction News Monthly Issue, November 8.

Power for American Farms -- Jobs for U. E. Workers -- Don Pinkston in U. E. News, official organ of United Electrical, Radio and Machine Workers of America, November 11.

REA Borrowers Plan Expansion -- Lincoln, Nebr., Journal & Star, November 12.

REA Postwar Plans Provide for Expansion in Oregon -- Portland Oregonian, Nov. 3.

REA Plans More Allen County Lines -- Nashville Tennessean, November 12.

Plan Expansion of REA Program -- Bismarck Tribune, Bismarck, N. D., November 9.

\$5,100,000 Postwar Program Planned in Montana by REA -- Great Falls Tribune, Nov. 7.

REA Announces Postwar Line Extension Program -- Grand Forks, N. D., Herald, Nov. 12.

REA Plans Big Expansion in Minnesota -- St. Paul Pioneer Press, November 16.

Plan Rural Electrification Expansion in Postwar Era -- Jamestown, N. Y., Post-Journal, November 15.

REA Planning for After War -- Portland Oregonian, November 12.

REA Plans on Postwar Expansion -- Mason City, Iowa, Globe-Gazette, November 14.

REA Plans Lighting for 57,700 Farms in State After War -- St. Cloud, Minn. Times, November 15. (Also "REA Big Expansion", editorial, same paper, November 16.)

A Vast Market -- editorial, Fargo, N. D., Forum November 19 -- Predicts that post-war electrification in rural North Dakota will open up huge market for all kinds of electrical appliances and equipment.

Rural Electric Parley Called -- Birmingham Age-Herald, November 17 -- Gathering of REA, TVA, agricultural and power company officials called by Alabama Public Service Commission to map plans on postwar rural electrification.

Farm Folks Want Home Freezers As Soon As They Can Get Them -- John Strohm in Prairie Farmer, November 11.

Power for 46,000 -- Louisville Courier-Journal, November 19

Expansion Seen in REA Program -- Minneapolis Tribune, November 18.

ITEMS OF INTEREST TO THE STAFF

"Members Only" -- editorial, Rockford Star, Rockford, Ill., November 12 -- Claims that the 27 Illinois REA cooperatives should submit to jurisdiction by Illinois Commerce Commission.

It's Mom's Turn Now -- Wallace's Farmer, November 18 -- Farm women put electrical equipment high on list of planned purchases when manufacturers get back to peace-time production.

Farm Women Want Rural Electrification, Says Grange Official -- Jackson, Mich., Citizen-Patriot, November 15 -- Mrs. G. H. Raynard, chairman of Michigan Grange Home Economics Committee, says farm women want electrification and household appliances to make rural life more livable.

A Rural Phone Decline -- Kansas City Times, November 16 -- FCC reports that number of farm phones has decreased while rural electrification has increased.

Hutchinson Shows Farmers How to Make Most Use of Electricity -- Rutherford Courier, Murfreesboro, Tenn., November 17 -- Reprinted from Progressive Farmer, November.

Farm Homes Seek Power -- Decatur, Ala., November 19 -- Joe Wheeler Electric Membership Corp., receives 4,000 applications for service.

State's REA Parley Begins With Speech By Grange Head -- Greensboro, N. C., News, November 21.

Telephone Companies to Expand Service to Farms After the War -- New York Herald-Tribune, November 23 -- Intensive efforts to expand farm telephone service after the war will be undertaken by a joint committee formed by the Bell System and the United States Independent Telephone Association.

Vermont Republicans Aid New Deal -- Hartford, Conn., Times, November 20 -- Praises Senator Aiken for efforts in behalf of REA.

Greatest Farm benefit -- editorial, Wichita Falls, Texas, Record News, November 18 -- Sec. Wickard's talk in Austin, November 15: "It may sound a bit complicated, but this is important. Benefits of the (electrification) program first help the farm, then they flow from the farm to industry. After that they flow back to the farm again, because more jobs for city people mean better markets for farmers. Agriculture and industry depend on one another. . ."

Rural Electrification -- editorial, Macon, Ga., News, October 27; To the Editor -- letter from P. S. Arkwright, president of Georgia Power Co., Macon News, November 13; Mr. Arkwright's Letter -- editorial, Macon News, November 15 -- The Macon News stated, incidentally in an editorial, that present Georgia rural electrification is "exclusively a product of the New Deal." Preston S. Arkwright, president of the Georgia Power Company, protested saying that his company had done a great deal before the REA program started, and that it had cooperated extensively with the REA program. The News printed the letter and followed two days later with an editorial saying that it meant that the "enormous impetus" came from REA and that REA is responsible for the acceleration of power company rural activities.

1943 Food Production Award -- Agricultural Leaders Digest, November -- REA Award presented to sixty farm families in sixteen states.

REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Vol. III, No. 11

December 15, 194

THE HARDWORKING KILOWATT (Bertram B. Fowler in Country Gentleman, December) -- There is magic in the initials KWH, the magic of the kilowatt hour that has brought a brand new outlook to over a million and a half American homes in the past eight years. . . .

Over a period of eight years REA has loaned over half a billion dollars to rural electrification groups. . . . These loans were really loans, not handouts. The loans bear interest. Today interest payments on the loans are up to date. . . . Reliable figures appearing now show that the Federal government will get back with interest, about 98 per cent of all funds expended. Which is good business in any man's language. . . .

Says Mr. R. W. Rumberger, who receives electricity from the Valley Rural Electrification Co-op of Huntingdon, Penn.: "If they took away electricity, my wife would leave. Expect I'd quit myself. Farm work, before electricity came, took too much out of a man. I didn't know it before. In fact I figured all this talk about electricity was mostly exaggeration. But now I know." . . .

All sorts of new markets never thought of by the over-all planners are appearing. For instance, in the Huntingdon area the coming of electric power started a paint and wallpaper buying flurry. The electric light in the home, replacing the dim light of kerosene lamps, revealed the drab and smoke-tinged surfaces for the first time. . . .

At the present time KWH is the cheapest hired man ever to offer service on the farm and in the farm home. . . .

The picture of postwar rural electrification can be viewed from two angles. One angle presents the picture of millions of man-hours of employment involved on power lines, in public and private utilities providing the power and in mills and factories. The other is the picture of a service being provided that not only pays for itself, but pays an actual dividend to the consumer. Herein lies the real magic of KWH.

ELECTRICITY ON EVERY FARM CALLED REA AIM (Margaret Shannon in Atlanta Journal, November 28) -- Electricity in every farm home is no pipe dream, but an objective toward which the Rural Electrification Administration intends to move -- and move fast, William J. Neal, of St. Louis, deputy REA administrator, told officials of Georgia, South Carolina, and Florida cooperatives at a meeting Tuesday. . . .

"People are going to want electricity in a hurry," Mr. Neal said. "Studies of postwar desires indicate an unprecedented demand for rural electrification will arise. We must make our plans and get our organizations ready so that we can work swiftly when materials are released." . . .

Welcoming the group to Atlanta, Governor Ellis Arnall pledged his support to REA activities in Georgia. "I am hipped on the REA," he declared. "If you need laws, come to me and we'll get them. You can be assured that in Georgia there will be no hamstringing by privately-owned utilities."

REA has done more to help people in rural areas than any other federal agency, the Governor said.

"I am aware of the constant undercover fight between publicly and privately owned utilities, but I am firmly of the opinion that in the field of power there is a need for development of more public ownership," he added. (Also similar story (AP) in Arkansas Gazette, Little Rock, November 29).

ELECTRIFICATION IS URGENT (from Preliminary Report of the Committee on Postwar Agricultural Policy of the Association of Land-Grant Colleges and Universities) -- In the country electricity is not merely a convenience, but actually a necessity for efficient farming and living. Electricity on the farm does more than furnish light, pump water, and operate household equipment. It brings machine-age efficiency to many farm tasks which have been done by hand, and it makes possible temperature-controlled storage or cooling of farm products. By aiding rural industrialization and encouraging the development of vacation homes and rural residences, it can bring increased employment opportunities to rural people.

More than half of the nation's farms are still without electric power. While many of these are no doubt in areas which it is not feasible to reach, it should be an immediate concern in the postwar period to extend this service as rapidly as possible. In doing this, however, it is important that the systems constructed be designed to meet the needs of all potential consumers in the areas to be served.

Farmers can be helped by a program of education on the operation and maintenance of electrical equipment. Also, research and development work on the farm applications of electricity need to be expanded, particularly as to refrigeration, food storage, and processing, and to labor-saving equipment generally.

ABOVE THE LAW? (editorial, Journal of Commerce, Chicago, November 6) -- The attitude of the 27 rural electric cooperatives in Illinois seems to be that they are above the law. They have decided to start court action if the Illinois Commerce Commission tries to enforce a ruling of October 6 that any REA group operates in effect as a public utility and therefore is subject to commission control.

The co-ops contend they were established to serve members only . . . The Commerce Commission . . . would not prepare to enforce its order unless there were adequate legal basis for taking action . . . If that body has no authority to assure that they (the co-ops) operate in the public convenience and necessity, then who or what has?

WICKARD SAYS FARMER CO-OPS A POSTWAR NEED (Farmers Union Herald, December 1) -- Secretary of Agriculture Claude R. Wickard, in an address on "Farming After the War" at the annual meeting of the Wisconsin Farmers Union, Chippewa Falls, October 26, said that in the postwar period there will not only be more need for producer cooperatives among small farmers, there will also be more need for marketing and purchasing cooperatives among all farmers. . . .

The real reason for the current strong attack on cooperatives, he suspected, is the "unfair advantage" over other forms of private enterprise, due to the fact that patronage refunds of cooperatives are not subject to taxes in the same manner as profits from corporations are subject to taxes. It seems to the Secretary that there can be no ground for this criticism in the true cooperative because the true cooperative is not organized to make profits and therefore cannot be subject to a profits tax. . . .

IOWA CO-OPS BAND TO FIGHT TAXES THREAT (Des Moines Register, October 28) -- First steps leading to the organization of a statewide council to fight taxation threats to approximately 1,000 Iowa cooperatives grossing tens of millions of dollars in business a year were taken Friday in Des Moines. Meeting in the state farm bureau office, nearly two dozen representatives of cooperatives named a committee . . . to draw up articles of incorporation for the council. . . . O. J. Grau represents REA cooperatives on the committee. . . .

"The immediate objective of the organization," said Allan Kline, state farm bureau president and temporary secretary of the new council, "is to defend the tax status of the cooperatives against the National Tax Equality Association."

The latter organization is behind a drive to subject cooperatives to the same income taxes assessed against corporations organized for profit.

Where its net income exceeds \$25,000 a year, a corporation must pay a 40% tax on net earnings and 95 per cent excess profits tax on all earnings above the normal level. The foes of cooperatives want to subject cooperative earnings which are allocated to members to the same sort of taxation.

The real battle is expected to develop in next year's congressional sessions. .

MISSOURI BASIN FARMERS PAY TOO MUCH FOR POWER (editorial, Star-Times, December 9) -- One of the primary purposes of a Missouri Valley Authority is to provide cheap and abundant electric power. This is not only essential for raising the efficiency and the standard of living of the farms and farm families, but it is necessary if new industries are to be brought in. It is also absolutely necessary if the vast irrigation projects sponsored by the Bureau of Reclamation are to be realized. . .

What are the facts about costs of electricity in the Missouri River Basin?

First, the need of more power and cheaper power is striking if not disgraceful. Of the more than 600,000 farms in the 10 states -- Missouri, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Wyoming, North Dakota and South Dakota -- only about 25 per cent, or between 150,000 and 200,000, are electrified with central station service.

REA has loaned funds for central station rural electrification to 126 borrowers (cooperatives) in the 10 states, and 112 of them had rural power lines in operation during the fiscal year ended June 30, 1944. They served 115,000 farms and other rural consumers. During the year these REA borrowers bought 155,293,200 kwh for distribution to their consumers. This power cost \$1,627,290 at wholesale -- an average of 10.5 mills per kwh. The lowest cost in the 10 states was an average of 8.7 mills in Nebraska; the highest, 12.5 mills in Minnesota.

Here is the payoff. During the same year, in the state of Mississippi, nine REA-financed cooperatives purchased 38,868,884 kwh of electricity from the Tennessee Valley Authority at an average cost of only 5.9 mills per kwh. If Mississippi TVA rates had been available to the Missouri River Basin borrowers, their power bills would have been reduced from \$1,627,200 to \$916,280. The savings would have been \$710,970, or an average of \$6348 for each of the 112 REA cooperatives. . .

LOCAL CO-OP HEAD LAUDS NAMING SHIP FOR NORRIS (Milbank, S. D., Herald-Advance, November 23) -- Assigning the name "George W. Norris" to a new Liberty Ship is a deserved tribute to a great American, declared Fred Schwandt, president of the Whetstone Valley Electric Association, when he learned that a vessel now being built has been named for the late Nebraska Senator.

"Senator Norris has many living monuments to his career," Mr. Schwandt said, "but the one which affects the everyday life of every person in this community, rural and urban, is the REA. Norris urged government action in rural electrification long before the REA program was started in 1935, when only ten per cent of the farms had central station electric service. He lived to see more than 40% of our farms get service under the program which he sponsored in Congress. . . ."

The ship, scheduled to be launched from a Georgia yard late in November, is 441 feet long . . . (Editor's Note: Similar story appeared in several dozen other papers throughout the country. The ship was launched December 2).

POWER LINE CELEBRATION (editorial, Utica, N. Y., Observer-Dispatch, November 28) -- They had quite an unusual celebration the other day in Wampsville. It was to observe the completion of 107 miles of new rural electric lines serving 212 patrons, a job put across by the Oneida-Madison Rural Electric Cooperative. . . .

Private initiative and free enterprise had not gotten around to provide these 212 potential customers with electric power. So the customers went about to provide it themselves. But first, they had to be shown. . .

There was a great deal of opposition to passing the federal legislation and likewise to the necessary legislation in Albany to make it effective in this state. It was occasionally called socialistic and a blow to free enterprise. But it is to be seen, if it was all this, that it came about because private enterprise did not give these customers the great benefits of electric power,

Although there may not be large profits in the Oneida Madison cooperative, most of these enterprises are said to be self-liquidating. And when their debts are paid off, their power costs promise to be nearer to the wholesale rates they pay the private utility.

ELECTRIC CO-OP BILL BY M'CORD BACKED (Washington AP story in Nashville Tennessean, December 2) -- Rural electrification cooperatives could reduce the interest rate on long term debts to the TVA under a bill approved today by the House agriculture committee.

The bill, by Rep. Jim McCord, governor-elect of Tennessee, would permit the REA to make loans to cooperatives to allow them to refinance debts to TVA. Such loans would bring a saving of $1\frac{1}{2}\%$ in interest rate, McCord explained. The present rate is $3\frac{1}{2}\%$.

1944 FARM INCOME DROP IS REPORTED (R. D. Byrnes in Hartford, Conn., Courant, November 27) -- . . . Connecticut, Massachusetts and Rhode Island are the only three states not included in a postwar rural electrification program which has been recommended by the REA postwar planning committee of the Department of Agriculture interbureau committee on postwar programs. Connecticut and Rhode Island are the only two states which have taken no REA grants and are at the bottom of the list where such projects are needed, according to REA surveys. . . (Editor's Note: In 1938, Connecticut received an allotment of \$92,000, subsequently rescinded.)

REA SPONSORS WATER SYSTEM CAMPAIGN (Monroe City, Mo., News, December 7) -- The Missouri Rural Electric Cooperative was chosen by the 8th Region of REA as one of four Cooperatives in the United States to sponsor a water system activity and make it possible for farmers in this community . . . to purchase a water pump. . . Membership meetings were held November 25, 27 and 28. . . Elmer Daniels, REA plumbing engineer, gave an illustrated talk on planning a complete water system and proper installation in the home of bath fixtures and different types of installations for septic tanks. . . (Similar story in Palmyra, Mo., Spectator; 12/6.)

RURAL TELEPHONES

(Editor's Note: The present situation in regards to rural telephone service and suggestions for bringing about changes have been much discussed in recent weeks in newspapers throughout the country and on various radio programs. Much of this publicity mentions REA in one connection or another. Without exception, such references have been either laudatory or neutral in tone. We have received dozens of clippings from many publications; the one below devotes more attention to REA than most.)

FCC BUILDS CASE FOR FARMER PHONE COOPERATIVES (Advertising Age, November 27) -- Distressed by a marked decline in the number of farms receiving telephone service during the past 20 years, the FCC studied a report from its economic division this week which explored the need for large numbers of cooperative telephone organizations to stimulate better service from private industry. . .

The Commission's report was one in a series of developments at the FCC indicating that action may be forthcoming soon to establish a special agency similar to the Rural Electrification Administration that could make government funds and technical assistance available to groups of farmers who are willing to set up their own cooperative telephone exchanges. . .

In its report, the Commission staff went into considerable discussion of the history and record of the REA, pointing out that there has been an increase of 214.2% in the number of electrified farms between December 31, 1934 and June 30, 1942. Significantly, the report went into case studies of REA operations, and into the legislative history of the agency including the steps that were taken toward setting it up.

Of particular interest in the discussion was the report that REA "utilization workers" -- or salesmen -- had taught farmers the many uses of electricity. Other

REA functions which interested the FCC were its activities in financing rural industries that consume electricity and providing technical assistance to the cooperatives, enabling them to standardize their installations so that construction costs were cut by 25 to 50%.

REA projects have not only financed new facilities but they have stimulated state projects and aroused many private utilities to undertake rural expansion as a competitive measure, the report said.

ITEMS OF INTEREST TO THE STAFF

Senators Fight Crippling of Flood Control Plans -- Sam O'Neal in Chicago Sun, November 22 -- Sen. Aiken opposes amendments to \$970,965,000 flood control bill that would turn power produced at dams over to private utility companies.

Industrial Development Called Important Jobs for State -- Minneapolis Tribune, November 21 -- Rural electrification among suggestions received in public opinion poll of question "Can you think of anything Minnesotans can do to make this state a better place to live in?"

No Change Expected in New Deal Power Policy -- R. N. Larkin's "Washington Comment", Electrical World, November 25 -- Political observer states that "party lines essentially dissolve when REA and river development legislation are brought up."

Deficiency Appropriation Requests -- Jerry Kluttz's "Federal Diary", Washington Post, November 26 -- REA, \$696,000,000 to prepare for its inevitable postwar expansion.

Power Co-op New Income Shows Gains -- Rochester, Minn., Post-Bulletin, November 25--
Sixth annual report of Peoples Power Cooperative shows marked increase in net income.

World-Wide Labor Union Wins Approval of CIO -- Christian Science Monitor, November 24 -- Points included in CIO'S program for a postwar economy of "60,000,000 jobs" include:....Public Works: Creation of a shelf of public works adequate to take up the slack if private industry does not achieve full employment, these to include new "TVA's", rural electrification, and the like.

5800 North Dakota Farms Now Have Electricity -- Bismarck Tribune, November 24.

A Farmers Point of View -- Journal of Electric Workers and Operators, December. (Official IBEW organ) -- Quotes Kansas Labor Weekly as stating that TVA is greatest answer to opposition to MVA. TVA's installed capacity is 2,800,000 kw but it acts as wholesaler. Towns have their systems and farmers have REA. They buy power from TVA wholesale.

Farm Bureau Re-elects Harper -- Topeka State Journal, November 30 -- Kansas Farm Bureau advocates further expansion of REA.

Will Government Keep Faith? -- Pocatello, Idaho, Tribune, editorial, November 14.
-- REA cooperatives can use the surplus goods, made in government plants.

State Officials Who Have Been Known to Protest Encroachment of Federal Government
Are Extravagant in their Praise of the REA --- Paul Bolton's column "Mirrors of
Austin", Corpus Christi Call.

Certify 170 Farms for Electricity -- Hawkeye Gazette, Burlington, Iowa, November 27. AAA certifies 170 farms in Des Moines county to utility companies as having sufficient number of animal units for highline electric connection.

Somervell Says Output of Arms Is Still No. 1 Job -- New York Herald-Tribune, December 3 -- Harlow S. Person delivers address at conference of Society for the Advancement of Management.

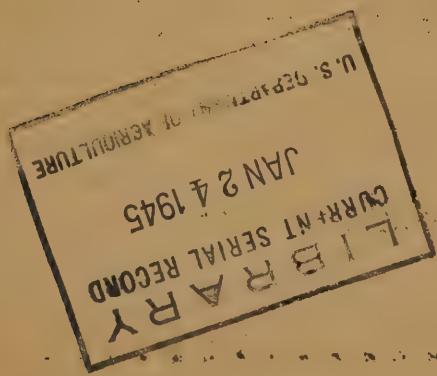
Ohio Co-ops Win Utility Battle -- editorial, Madison, Wis., Times, December 1.

Months of Hard Work Pay Off to Farm Youth -- Chicago Tribune, December 5 -- Winners in 4-H rural electrification contest.

Comforts Add to Happy Living -- Memphis Press-Scimitar, December 4.

Demands OK for St. Lawrence Project -- PM, December 7 -- Sen. Aiken cites rural electrification as one of advantages arising from proposed St. Lawrence Waterway.

Since the November 30 issue of the Press Digest, 31 clippings concerning the post-war program in rural electrification have been received.



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REA PRESS DIGEST

A semi-monthly summary of press and radio items concerning REA.

Vol. III, No. 12

FEB 26 1945
U. S. DEPARTMENT OF AGRICULTURE

Dec. 31, 1944

CLARK REA VOICES PROTEST TO EXTENSION OF K.U. LINES (Allan Trout in Louisville Courier-Journal, December 12) - - The Clark County Rural Electric Cooperative today opposed plans of Kentucky Utilities Co. to build nine miles of rural extensions in areas served by the cooperative on grounds it would interfere with long-range REA plans to serve every rural home in its territory. . . .

Six rural cooperatives intervened against K. U. at the outset but all of them excepting the Clark cooperative withdrew after K.U. voluntarily dropped 24 projects in 17 counties, involving 61 miles of line.

"Our future program," said R. R. Craft, attorney for the Clark cooperative, "calls for full coverage of our territory and all the homes in it. We plan to take the lean along with the fat. We are unable to see just how this full coverage program can be achieved if some other electric company takes out, here and there, choice mouthfuls of the territory. We ask this commission to preserve our birth-right."

In cross-examining T. E. Steele, manager of the cooperative, S. R. Ogden, K.U. attorney, developed that the cooperative has no immediate plans to extend service to the communities at issue. . . .

Washington Reed, K.U. vice-president, testified his utility has no intention to obstruct REA, but to the contrary "desires to cooperate in taking electric service to the maximum number of farm homes in the State." . . .

WHERE AN OVER-ALL POLICY IS NEEDED (editorial, Louisville Courier-Journal, December 17) - - The recurrent and increasing friction between REA cooperatives and privately-owned utilities over territory of operation calls loudly for a definite declaration of public policy by the Kentucky Public Service Commission and action on its own initiative in pursuance of that policy. . . .

Whether the charge is true or not, the fact is patent that private companies took no interest in rural electrification until REA pioneered the program. Private companies should not be permitted to prevent the consummation of the purpose but that is only incidental to a correct public policy. This policy, applied to co-ops and commercial corporations alike, is an undeviating determination to see that every rural electric line is projected in a practicable way eventually to reach the most remote farm within reason. . . .

The interests of consumers and public consumers should be studied before an established network of distributing lines excludes whole groups of them from any hope for modern conveniences and necessities.

RURAL POWER RIVALRY IN MAINE (Frank E. Southard, Chairman, Maine PUC, in Public Utilities Fortnightly, December 21) - - The Federal Government will be in the electric business for a long time to come. The REA has performed a necessary function and has brought electricity to thousands of people who waited in vain for it from old line companies. . . .

For many years the growth of electric service in rural areas was on the basis of piecemeal extensions, people living beyond service making arrangements for its extension to them by guaranteeing a certain revenue to justify the utilities expenditures in the project.

In recent years the area idea got hold, whereby extensions covered an entire area rather than going "down-the-road-apiece." . . . In 1941 the legislature passed a more comprehensive act relating to rural electrification. Among other matters it was determined that the "cooperatives shall not be deemed to be public utilities" . . .

No cooperatives are operating as yet under the 1941 law but presumably with the return of activity in the rural field, use of this statute will be occasioned . . .

In deciding what, if anything, should be done to meet the situation, one major company felt it had obligations to render service in the territory authorized by its charter and that it should make every effort to do so. . . . The company felt that it could afford to make some concessions in order to meet government competition and fulfill its obligations, and that it could and would make available service at rates comparable with or as favorable to those offered by the government subsidized companies. . . .

To date the company has been able to meet the competition in a way that has been satisfactory to the rural customer. . . . Detailed figures are not available to make an accurate comparison . . . with the REA co-ops doing business in Maine.

RTA SIMILAR TO REA NOW BEING PLANNED (Electrical World, December 9) - - Prospects are considered good that Congress next year will be called upon to approve the creation of a Rural Telephone Administration which will be charged with doing the same job for rural communication that the Rural Electrification Administration was set up to do in bringing electric service to farms not receiving central station service. Senator Lister Hill, . . . strong administration supporter, is reported to have a bill for such an agency already drawn. Hill is said to have agreed not to introduce the measure for some weeks, probably not until the 79th Congress convenes in January. . . .

(Editor's Note: Associated Press news item in December 5th issue of Washington Post states that Sen. Hill's bill has been introduced. RTA's 50 million dollar appropriation would be used to make loans to individuals, corporations, state agencies, municipalities and cooperatives or "mutual" telephone companies. Loans would be made at interest rate of $1\frac{1}{2}\%$, with 35 years to pay the principal.)

THE PUBLIC OWNERSHIP MACHINE (editorial, Waterbury, Conn., Democrat, December 11) - - Promoters of public ownership now have a smoothly running machine working within local and national government that is hard to beat. One Federal agency corners its attention on arbitrarily dividing efficiently operating electric utility systems into a number of pieces. Another Federal agency, through a device of calculation, creates the impression that electric companies are charging exorbitant prices for their services, while still other Federal agencies, such as REA, stand ready with taxpayers' money to buy out the dismembered remnants of the private companies. . . .

An unregulated tax-exempt government monopoly is what the people will get from the present political drive against the electric industry unless the public ownership machine is smashed, and the public agencies now promoting socialism within our government are given guiding rules that guarantee fair regulation rather than destruction of private enterprise.

SIX MILL POWER RATE IS SET FOR SMALLER CO-OPS (Oklahoma City Oklahoman, December 16) - - An annual reduction of \$23,787 in the preferential electric rate of Oklahoma Gas and Electric Co. for rural electric cooperatives serving rural subscribers and small communities was ordered by the corporation commission majority Friday. . . .

The cooperatives want the preferential rates on electricity bought from OG&E regardless of the size of the town served, and the OG&E wants to confine it to small communities. . . .

The order provides that the present preferential rate of 8 mills a kwh will be reduced to about 6 mills with limitation for the rate to farm users and communities of less than 125 customers, which Corporation Chairman Reford Bond estimated would mean communities of population of less than 600 persons. . . .

George Ade Davis, president of OG&E, said: "The ruling is not exactly as we would like to have seen it but in the main it embodies a definite contribution to the farmer-operated REA co-operatives and at the same time provides protection to the electric utility from bureaucratic whims. . . ."

REA VS. PRIVATE POWER (editorial, Texarkana Gazette, Texarkana, Ark., December 15) - - The Arkansas Utilities Commission is to be commended for its refusal to grant the Petit Jean Electric Cooperative a rehearing on the application of the Arkansas Power and Light Company to extend its electric distribution lines in rural areas of Faulkner and Conway counties, which was approved by the commission on November 6.

The commission also denied a motion of the cooperative to introduce new testimony showing that the REA would "make available electric service to every farmer in areas served by it."

"No such service is offered or contemplated by the applicant," the petition said, "and no such policy can be undertaken by the applicant in good faith, because such a venture cannot be made with any reasonable hope of profit."

The cooperative maintains that a private company cannot carry out the proposed rural electrification program because it cannot be done as a profit-making proposition. Its argument, therefore, is that the REA should undertake the project with REA money, which incidentally comes from the taxpayers. The cooperative's idea is that if a project cannot be operated as a private enterprise it should be operated as a government project, which means taxing one segment of the population for the benefit of another. . . .

CO-ORDINATING RURAL EXTENSIONS THROUGH MASS PRODUCTION (editorial, Electrical World December 9) - - One of the more remote fields for the use of mass production methods would appear to be rural line extensions from present utility systems; but the picture changes decidedly when viewed from the standpoint of community development. The advantages of applying the methods of system planning on a town-by-town basis in building such lines need little elaboration. . . .

WHICH APPLIANCES WILL FARMERS BUY (Electrical World, December 9) - - Water-heaters, automatic water systems, deep-freeze refrigerators and farm workshop equipment are the four items of electrical equipment that rural customers of the Nebraska Power Co. say they want to buy first after the war. This fact was established when the Omaha company surveyed a representative group of its farm customers recently asking them to identify from a prepared list of 25 items the ones they intended to buy and in what order. . . .

ELECTRIC FARM EQUIPMENT (Electric Light and Power, December issue) - - Investigation of electro-agricultural equipment developed as a result of research carried on at state agricultural colleges and other laboratories but not yet manufactured and available to the American farmer was undertaken recently by REA with the sending of a questionnaire to all state agricultural colleges, laboratories and other departments likely to have new or improved electro-agricultural equipment. Offers to assist in obtaining interest of manufacturers are included with the questionnaire.

LIGHT AND POWER LINES (Electric Light and Power, December issue) - - . . . Rural electrification is another field that promises to cushion reconversion, particularly as regards equipment required for it, and to a certain extent loads to replace those cut off by cessation of war production. Already REA has appropriated \$100 million for the construction of lines. Appliances and equipment to go on these lines can be expected to total several times that amount. A number of utility companies are planning the extension of lines to every farm in their territory and practically all are planning extensive rural electrification programs, the total of which will probably dwarf the REA program both for line extensions and appliances and equipment that will be operated on those lines. . . .

SPECIALIST CITES BETTER USE OF FARM ELECTRICITY (Jamestown Post-Journal, Jamestown, N. Y., December 6) - - Investigations undertaken by the New York farm electrification council in the interests of better uses of electricity on the farm were cited today by Prof. C. N. Turner, department of agricultural engineering at Cornell University.

The council is composed of representatives of the College of Agriculture, the Public Service Commission, and the major electric companies who distribute electricity to New York farms. The aim is to investigate new and better uses of electricity and to inform the farmers; also to unify farm electrification in the state. . . .

A COMING INDUSTRY (editorial, Sioux City Journal, December 11) -- Experience during the war period in using new methods for preserving foods indicates an opportunity for developing profitable small industries all over the country, if the economic set-up is right for doing so in the postwar period. . . . Newer methods of food preservation are by dehydrating and quick freezing. . . .

Rapid extension of rural electrification must be considered as a factor in development of this business. It may not be many years until refrigerators will be standard equipment in farm homes, as they now are for urban dwellers. And there is a probability that quick freeze units will become more generally available for private homes. But the willingness of so many housewives to have food processing done for them is likely to mean a profitable field for development in this line of industry.

MORE RURAL ELECTRIFICATION (editorial, Barre, Vt., Daily Times, December 19) -- It takes a pretty hard-bitten critic of things as they are to quarrel with rural electrification, whether financed by government largess or private enterprise. . . .

Those who are in the best position to know will tell you that on a farm with electric power for milking machines and other labor-saving devices, at least one man can be spared. . . .

PLUMBING BOOM FORECAST FOR FARMS (Cincinnati Enquirer, December 17) -- Electrification of farms in the United States has opened up an enormous domestic market for the country's domestic plumbing industry, according to a survey by the National Plumbing and Drainage Manufacturers Association which concluded its annual convention here yesterday. . . .

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ITEMS OF INTEREST TO THE STAFF

What It Takes To Be A Farmer -- John Gould discusses USDA booklet "Shall I Be A Farmer", New York Times Magazine, December 10.

Anti-Cow Electricity -- Boston Herald, December 9. -- Describes advantages of electric fence over stone walls and split rail fences.

Half of Nevada's Farms Now Electrified, Says REA -- Reno dispatch in Christian Science Monitor, December 9.

Denies It's Utility -- Public Utilities Fortnightly, December 21. -- Mountain View Rural Electric Association, Limon, Colo., petitions state PUC to dismiss protest filed by town of Fountain, asking that co-op be classed as public utility. Co-op denies that it is encroaching upon area served by town's utility system. Hearing to be held.

In addition the following clippings have been received:

14 concerning the postwar program in rural electrification

4 concerning possible formation of RTA (Rural Telephone Administration)